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Russia: Yeltsin's Reshuffle Seen as Signal to Voters

LD1806155596 Moscow ITAR-TASS in English 1529 GMT 18 Jun 96

[By Tamara Zamyatina]

[FBIS Transcribed Text] MOSCOW, June 18 (Itar-Tass) — Deputy Secretary of Russia's policy-making Security Council Vladimir Rubanov hailed General Aleksandr Lebed's double appointment, which was decreed by President Boris Yeltsin on Tuesday.

Lebed, placed third in the first round of the presidential election, was appointed on Tuesday secretary of the Russian Security Council and presidential aide for national security.

"The Security Council Secretary must have more influence on the decision making and thus be closer to the head of state, which corresponds to the experience of the other countries," Rubanov told Tass.

Lebed's making part of the presidential team is considered in the Kremlin as an important factor for Yeltsin's victory in the presidential run-off.

"Their joint potential is higher than that when they moved separately," presidential aide Georgiy Satarov told Itar-Tass.

The colleagues of Yuriy Baturin, whose place is now occupied by Lebed, don't worry over the fate of the former national security aide.

He retains the same rank, while the sphere of security matters is so vast that both the military and the civilian specialists will be able to re-divide responsibilities and have enough work to do.

Baturin has recently finalised a draft concept of national security, and the President passed it to the State Duma lower house of parliament for approval. Much time will be needed to bring it up to the mark.

So far as ex-secretary of the Security Council Oleg Lobov is concerned, he was appointed First Vice-Premier and is said to regard it with "understanding."

However, it still remains unclear what his duties will be, as first vice-premiers Oleg Soskovets and Vladimir Kadannikov share the responsibilities and there has been no talking about their dismissal.

So far as liberal economist Grigoriy Yavlinskiy, placed fourth in the June 16 election with over 7 percent of votes, is concerned, there may be no second invitation on the part of the president to appoint the Yabloko faction leader as vice-premier.

The Kremlin bears grudges against Yavlinskiy in connection with his "tactless", as circles close to Yeltsin say, response to a hand of friendship stretched out to him ahead of the first round of the presidential election.

A possibility of Boris Gromov's appointment as Defence Minister instead of Grachev "is not ruled out", Itar-Tass learned in the circles close to Yeltsin.

Anyway, according to Duma deputy Vladimir Lukin, on Tuesday morning Gromov was summoned to the Kremlin.

President' message to his electorate in today's decrees is loud and clear — he has taken heed of their will and calls on them to vote for the renewed team of reformers in the run-off elections.

Russia: Confrontation Seen Increasing in Yeltsin Entourage

LD1806210096 Moscow NTV in Russian 1800 GMT 18 Jun 96

[From the "Segodnya" news program]

[FBIS Translated Text] With regard to possible reshuffles against the elections' background. It seems there are signs that, after Boris Yeltsin's victory in the second round, some people in the president's entourage will try to consolidate their influence. ITAR-TASS columnist Tamara Zamyatina reports today that at the morning meeting of Yeltsin's election council, Aleksandr Korzhakov, head of the president's security service, advised Sergey Filatov, head of the movement of public support for Yeltsin, and Anatoliy Chubays, a member of the council, to refrain from appearing on television too often since, according to Korzhakov, they are not liked by the people.

There have been indications of disagreement between Korzhakov, on the one hand, and Chubays and Filatov on the other, for a long time now. And now, if one is to believe ITAR-TASS, the struggle in the corridors of power could exacerbate.

Russia: Zyuganov, Lebed Discuss Economic, Social, Personal Security

LD1906090396 Moscow INTERFAX in English 0815 GMT 19 Jun 96

[FBIS Transcribed Text] MOSCOW, June 19 (Interfax) — Leader of the Russian Communist Party and presidential candidate Gennadiy Zyuganov met with Secretary of the Security Council and Russian presidential national security adviser Aleksandr Lebed on Wednesday.

This meeting was "one in a series of consultations with all of the ex-presidential candidates who have scored more than one percent of the votes," Zyuganov said.

He told Interfax and the radio program Ekho-Moskvy that "the talks with Lebed dealt exclusively with matters of economic, social and personal security."

The agreement on the meeting had been reached before the first round, he said.

In answer to the question whether the meeting was friendly, Zyuganov said that in dealing with people he always uses clear and friendly language.

He declined to say whether he still regarded Lebed as a potential member of the Popular-Patriotic Bloc's coalition government after the former had struck a union with President Boris Yeltsin — Zyuganov's rival in the second round.

"One can't put this question this way. Any person who has knowledge and talent, who would like to serve his Fatherland, may join the coalition government that will be created by the Popular-Patriotic Bloc," he said.

"Any thinking person understands that Russia will inevitably have a coalition government. The nation is split: one-third has voted for Yeltsin and one-third for us," said Zyuganov.

Russia: Zyuganov: Lebed's Appointment To Be Ineffectual

LD1806150096 Moscow Russian Television Network in Russian 1300 GMT 18 Jun 96

[Report over video by correspondent R. Safronov; passages within quotation marks recorded; from the "Vesti" newscast]

[FBIS Translated Text] Boris Yeltsin's main opponent in the presidential election, Gennadiy Zyuganov, today commented on Lebed's new appointment. [video shows closed door bearing the sign "Silence. Meeting of political faction in progress"; Zyuganov shown emerging through door and being questioned by journalists as he walks along a corridor]

[Safronov] In the State Duma building today the Communist Party of the Russian Federation faction held a closed meeting devoted to the results of the first round of the presidential elections and to determining its strategy in the second round.

Gennadiy Zyuganov told journalists that General Lebed's action was not unexpected. The left-wing's analysts forecast this at the beginning of May, Zyuganov said. However, he does not believe that Lebed, in alliance with the current president, will be able to change anything in Russia for the better:

[Zyuganov] "Absolutely not. Nothing can be radically changed. If the same course continues then no one can sort out the situation."

Gennadiy Zyuganov considers that Lebed in alliance with Boris Yeltsin can expect the same fate as Aleksandr Rutskoy.

[Zyuganov] "He also tried to investigate crime, tried to introduce order, he even looked after agriculture and ended up with being given nothing to do. I am sure that if they wanted to tackle crime seriously they could have invited General Lebed in a year ago. But in the event they are more in need of Lebed's votes than an effective fight against crime."

Zyuganov considers that this opinion is shared by General Lebed's voters and that the majority of them are not likely to decide to vote for Boris Yeltsin in the second round. Nevertheless, Zyuganov let it be understood that he would like to meet with Aleksandr Lebed and that he is ready for consultations with all politicians who received more than one percent of the votes.

[Zyuganov] "Today I published my statement in which I invited into a government of national trust Lebed, Fedorov, Govorukin, Glazyev, and a whole range of other capable people whose talents can serve Russia."

Russia: Communist Bloc Discusses Candidates for Prime Minister

LD1906102396 Moscow INTERFAX in English 0959 GMT 19 Jun 96

[FBIS Transcribed Text] MOSCOW, June 19 (Interfax) — Leaders of the left-wing opposition alliance led by Gennadiy Zyuganov ended a private meeting in Moscow on Tuesday by discussing a candidate for the post of prime minister of a government of popular credibility, leader of the Agrarian Party of Russia Mikhail Lapshin told Interfax on Wednesday. The list includes Moscow Mayor Yuriy Luzhkov, Senate Speaker Yegor Stroyev and President of Bashkortostan Murtaza Rakhimov.

He said the alliance is expected to meet again late on Friday to discuss extending the list to six or seven candidates and start consultations with them next week.

Lapshin said the meeting decided to select three or four candidates for key government posts apart from the power ministries.

He said the question of forming a new presidential council in the event of Zyuganov's victory was also discussed. "We were unanimous that the new council must incorporate not only the alliance leaders, but also politicians sharing positions differing from ours so that the new body is not as uniform as (President) Boris Yeltsin's present council," Lapshin said.

Russia: Effort To Maximize Second-Round Vote for Zyuganov Urged

MM1906094796 Moscow PRAVDA in Russian 19 Jun 96 p 1

[Article by Viktor Trushkov: "Everyone, Become a Campaigner!"]

[FBIS Translated Text] The results of the voting in the first round of the presidential elections have been tallied. There is no winner. B.N. Yeltsin suffered a moral defeat. The point is not that his "prophecies" of a first-round victory did not come true — there is no reason for surprise here: Almost everything he has promised in five years has remained unfulfilled. The nonpayment of wages continued even into the election campaign despite his pledges. B. Yeltsin's moral defeat of 16 June lies elsewhere. Virtually all the structures of executive power were working for his victory — and in the first round, no less. For the sake of his victory celebrities of various degrees of luster sang and danced by the walls of St. Basil's Cathedral and in thousands of other conspicuous and faceless places. Television and radio exalted him tirelessly, "not knowing how better to praise him." Culture and sports celebrities swore love and devotion to him.... At the same time torrents of anticommunist dirt and slander flooded out of every crack. And what was the result? He collected virtually as many votes as the Communist G.A. Zyuganov! And if it had not been for this deafening propaganda he would most likely have lost!

Let's be honest: The people's patriotic bloc did not win in the first round either. But — in conditions of total official hounding! — it held firm. And this in itself is a considerable achievement. Gennadiy Zyuganov received the votes of those who cannot be intimidated and duped by either slander or flattery. Thus one-third of Russia consists of convinced and unbending supports of social justice.

The people's patriotic bloc is still young. It did not yet manage to boost its forces at the election with the votes of floating voters and waverers who did not withstand Yeltsinism's psychological assault. On 16 June these people "went off at a tangent," voting for A. Lebed, V. Zhirinovskiy, Yu. Vlasov.... In the second round there will be no third option. And the people with a conscience who for various reasons did not vote for G. Zyuganov in the first round will still be there. A new psychological assault on their minds and souls has begun.

But the arrogance that the Yeltsin team shows toward their compatriots! They are unashamedly saying for all to hear that the current president will cut a deal with some highly ambitious politicians who will "give him their votes." This signifies a calculation that the possible "new recruits to the Yeltsin court" from among erstwhile candidates for president will compel those who voted for them on 16 June to check the Yeltsin box in the second round. This regime, it transpires, regards its fellow citizens as a flock of sheep. Incidentally the Kremlin has no respect either for its erstwhile rivals who are now being persuaded to become allies, since it is assigning them an extremely unseemly role.

Our wavering compatriots need political support. They can only receive honest support and prompting from those who voted for G.A. Zyuganov on 16 June. So all of us, comrades, have to immediately take on this difficult work. Let us define the task as follows: Every participant in the people's patriotic forces (and this bloc consists of you and me since it has no structures as yet) will attempt to tactfully and intelligently persuade one voter who cast his vote in the first round for A. Lebed, V. Zhirinovskiy, You. Vlasov.... If at least two-thirds of those who voted 16 June for candidates who did not make it into the second round support Gennadiy Zyuganov, he will win. And a win is essential — not for the contender's sake but for the sake of saving the Fatherland.

Let us also not forget the almost one-third of fellow citizens who did not turn out to vote 16 June. These people are also our acquaintances, relatives, friends. Some of them might certainly vote for Zyuganov in the second round. Do not forget about them; pay attention to them! Now is a time when everyone is called upon to be a propagandists and campaigner.

Russia: Lebed on Coalition Government, Vision of Russia's Future

MK1806114196 Moscow NEZAVISIMAYA GAZETA in Russian 18 Jun 96 p 1

[Interview with Aleksandr Lebed by Igor Korotchenko; place and date not given: "'The Question of a Coalition Government Is on the Agenda.' Assured That He Is Firmly in Third Place, Aleksandr Lebed Granted an Interview to NEZAVISIMAYA GAZETA"]

[FBIS Translated Text] Yesterday, after the preliminary presidential election results were released, talk enlivened about Boris Yeltsin's upcoming meetings with Aleksandr Lebed and Grigoriy Yavlinskiy, with the aim of creating a kind of coalition of democratic forces before the second round. Personnel changes in the government were not ruled out. In connection with Lebed's name, sources close to the Kremlin were again citing the positions of Security Council secretary and of the first deputy premier overseeing the power departments.

[Korotchenko] Aleksandr Ivanovich, the presidential elections are now past. And although their final results will not be known until a little later, it is already clear that a second round is bound to take place....

[Lebed] With any setup, with any outcome of the elections, the most important thing to remember is that life does not end on 16 June. The main thing is not to slip into armed confrontation, not to rock the boat in which we are all sailing, not to exacerbate interethnic and interclass contradictions, but to ensure order and calm in the country. In the present situation, we can climb out of the abyss into which we have fallen only through common sense, determination, and combined efforts. Whether somebody likes the Constitution or not, it is paramount to follow it today. If we comply with the requirements of the Constitution, then we shall have a future.

[Korotchenko] Do you allow for political agreements with those presidential candidates who have made it into the second round?

[Lebed] I should like to state with a full sense of responsibility: I reserve the right to political agreements. Peace, order, and stability — these are the most important things. This is what we should aspire to. Therefore I reserve the right to political agreements. It would be simply silly to take up an intransigent, uncompromising, and unwavering position in the present situation. This is not difficult to do, but it is fraught with negative consequences for the state interests.

[Korotchenko] By what will you be guided here?

[Lebed] Russia has passed a complex historical path, and now it has approached a watershed. This path has been terrible: crimes of every description, and numerous victims, and an exorbitant price has been paid. It should be understood: This is already in the past, but it is impossible to bring back those who died or were executed. For Russia to endure, there is only one thing to do: move forward, even if we have to overcome insurmountable difficulties. It is impossible today to mark time, as is being done now, let alone turn back. Only onward, only onward! We have no match in survivability and suffering. If people see a realistic perspective and realize that reform is not something far away; that reform has a beginning and an end; and if there is a clear prospect that everybody's interests will be ensured, then people will take this path.

[Korotchenko] Appeals are coming from certain quarters for the nationalization of a number of economic sectors and the dismantling of the existing banking system. What do you think about this?

[Lebed] Such appeals can be coming only from suicides or people who want to plunge the country into a bloody chaos. Yes, there have been many flaws in privatization; it's true. But there must be no mass redivision of property. Most of the people took guidance from the laws that were in force at the time. To be sure, there have been some deviations: They should be straightened out in a civilized way. If something costs billions [of rubles] but only millions were paid for it, please be so kind and cover the difference. If you can't [do it outright], pay in installments. If you do not want to pay up the difference, here is your million, and good luck! The whole procedure should be very calm or there will be a civil war in store for us.

We have been profoundly deluded for decades — fighting against riches and the rich. What we should fight is poverty: This is the source of all evils of society. In a country like ours, with such capabilities and natural resources, people can be more rich or less rich, but there must be no needy! As concerns the banking system, this is the state's circulatory system. To dismantle it means ruining the financial system, and that will lead to the ruination and collapse of the country.

What about these appeals? What about this savagery? Again nationalize everything in sight? Again the year [19]17? At the time it cost us 10 million lives, but now the price will be much higher. The most terrible thing is that the Russian state could collapse. The Reds and the Whites will again fight each other. As to those who survive, somebody will just wipe his feet on them, and that's that. Russia will cease to exist.

[Korotchenko] As we are talking now, reports coming to the Central Electoral Commission show that Aleksandr Lebed will, to all appearances, finish third in the presidential race. This means that your position, your choice, and your electorate will ultimately decide who — Yeltsin or Zyuganov — will be at the state helm. Therefore I want to ask: Do you see any possibility of working in the new coalition government of the future Russian president?

[Lebed] I certainly do. I have proclaimed truth and order as my motto. What place I shall have in the presidential marathon — this is up to the voters, the citizens of Russia. But I am determined to consistently work toward my goals. The question of a coalition government is on the agenda. Those who want order, peace, and accord in the country simply must take care to make sure that the new government is based on a coalition. No loopholes must be left for the opposition. It is very convenient to be a Zhirinovskiy. Whatever the government or the presidential staff does he turns up his nose and waves his hands. This must not be allowed. Who is the most concerned about the well-being of the working people? The Communist Party. Very well, you are welcome to the posts of social welfare and labor ministers. Apply yourselves, use the power of your apparat and your intellect, and make sure that there is a labor market in the country so that the individual can go there and sell his labor, getting worthy compensation in return. Provide a worthy social security system. Let us think together; let us pool our efforts to lead the country from the abyss.

[Korotchenko] In other words, the next day after the elections you are ready to hold broad political consultations?

[Lebed] Naturally. There must be no confrontation: Here is the will of the people; the choice has been made; will you be so kind as to obey it. It is vital to sit down at the negotiating table and decide what our government will be and therefore what our life will be.

[Korotchenko] How do you envision your political future?

[Lebed] Ancient Russia [Rus] was known as Lebedyan [land of swans; Lebed means swan]; the swan is a symbol of Russia. Russia will be a great, rich, beautiful, proud, and powerful country. I have no doubts about this.

Russia: Lebed Assessed in Election Night Roundup

MM1806195696 Moscow SOVETSKAYA ROSSIYA in Russian 18 Jun 96 pp 1, 2

[Reportage by Zhanna Kasyanenko under the general headline: "Yeltsin Keeps Promising.... This Time He Has Not Even Carried Out the Promise to Himself — He Has Not Won in the First Round": "The Force by the Name of the People Wins"]

[FBIS Translated Excerpt] [passage omitted] There is pandemonium in the foyer of the Federal Information Center: cameras, dictaphones, microphones, people speaking English, German, Russian.... Everything calms down by 0100, when the first preliminary results come in: Chukotka, Kamchatka, Magadan. Then suddenly — Yekaterinburg. From there, Vladimir Mostovshchikov, chairman of the oblast electoral commission, reports that around 60 percent of the votes have gone to Yeltsin, and calls this a "surprise," which causes laughter in the whole audience. Yeltsin is in the lead at the moment. As in the previous elections in December, the sparsely populated and inaccessible areas of the Far North are giving preference to the current authorities. By and large, it would be a good idea to analyze this phenomenon more thoroughly, since life there is more like plain survival, and yet the people are voting in favor of this life. Well, they are stoic people, the Koryaks, the Yakuts, and the Chukchi. What can you do with them?

But what was really surprising was Lebed's firm third place, and even second place in some areas, in between Yeltsin and Zyuganov. These, I repeat, are the preliminary results for a most extreme region. However, rather than guessing or calculating how and why a particular candidate is causing a surprise, it would be better to ask some people in the know. Konstantin Natanovich Borovoy was one such knowledgeable, and, more importantly, frank, interlocutor.

[Kasyanenko] In your opinion, how many votes will Lebed gain, and how can his abrupt popularity be explained?

[Borovoy] Lebed has been really "inflated." Of course he will not get the 15 percent which Betaneli gave him. He will get 11 at the most. But even that is a very inflated rating.

[Kasyanenko] Who is Yeltsin's main opponent in this electoral race?

[Borovoy] It is certainly not Zyuganov, as many people think. It is Yavlinskiy. After all, they have the same electorate, and that is the most important thing in the first round. I am a supporter of Yavlinskiy, and I understand that the main thing for Yeltsin in the second round is to gain Yavlinskiy. If he has enough brains to simply realize this and entice him... The task of the press now is to say: Uncle Boris, you must see that it is ridiculous to count on Lebed. Yes, he has stolen part of the electorate from the Communists, but this is an artificial, invented figure. Yavlinskiy is vital. It is clear that Yeltsin will win, but how? This is not Israel, where six-tenths of 1 percent made the president legitimate. If Yeltsin wins by 2-3 percent, then under Russian conditions, he is not legitimate. He needs to win with two-thirds. And to do that it is not Lebed he needs. Everything is already clear as regards Lebed: Lebed has been bought lock, stock, and barrel, and he will have a post such as vice president. This is currently being thought about. Like a secretary of state. They are going backward and forward. As an expert, I am surprised and indignant about this. The same thing will happen with Lebed as with Rutskoy. Although I really like Lebed, he is a good man, and it was I who thought of Lebed. The idea was based on the fact that he is a general, an intellectual, and an anticommunist. A kind of Russian De Gaulle. Lebed will acknowledge this, he will remember, and I really like that. How did we start Lebed going? I took Karaulov to the Dniester region, and we got Lebed started. It's a great idea, isn't it? A Russian

De Gaulle...! Nevertheless, Yeltsin needs Yavlinskiy. He needs to be persuaded of this, he needs to be told, does Uncle Boris....

[Kasyanenko] How will Yavlinskiy himself respond to this?

[Borovoy] He is prepared to do it, he is willing. After all, he will not set any ultimatums; he is asking and making proposals normally to Yeltsin how to improve the situation.

[Kasyanenko] To remove Chernomyrdin?

[Borovoy] But after all, don't you remember how Chernomyrdin appeared — as a compromise between the Communists and Yeltsin. Now Yeltsin has to win, and for that he has to change his stance, attract the electorate. After all, our people are very well educated, this is a country full of knowledgeable people — and that is the problem, in fact.... The whole point is that Grisha, I mean Grigoriy Alekseyevich [Yavlinskiy], is explaining to Yeltsin: If I instruct my electorate to follow you, they will not listen to me. What needs to be tackled is the economy, Grachev, Chechnya.... If you do this, then I will stand next to you, and I do not need the post of prime minister. Or even first vice premier. Although it would be correct to appoint Grisha as prime minister.

[Kasyanenko] So why is Yeltsin not opting for this, if Yavlinskiy is offering him an improvement in the situation?

[Borovoy] Because our regime has two very dangerous characteristics: It is stupid and it is greedy. It is modeled on is the way marmosets are caught; they put their paw in a jar of nuts and cannot get it out. From greed. And that is how they are caught. So he will lose everything. Uncle Boris controls virtually nothing already. It is as though it has all been turned into a joint stock company: Tarpishchev has taken one part, Chernomyrdin — and that is really how it is — another. A joint-stock company. Its name is the Russian state. [passage omitted]

[Kasyanenko] Boris Nikolayevich's personal representative appeared — Mr. Pochinok.

He is very pleased that Yeltsin is leading in many Far East components, and he considers this very important.

[Pochinok] In the Far East Yeltsin has collected all the democrats, as well as some of the Communist Party of the Russian Federation [CPRF] electorate. This is good. The Communist electorate is clearly being pulled over to the other side. (Incidentally it was known by morning that, according to preliminary information, Yeltsin has lost 15 million votes in this election as compared with 1991 — Zh.K.)

[Kasyanenko] What do you attribute that to?

[Pochinok] To the fact that Yeltsin put forward the slogan: president of all Russians.

[Kasyanenko] Do you think that putting forward a slogan is enough to win?

[Pochinok] He has proved it. The election campaign has been very dynamic. Real problems have been resolved. The latest edicts have been very powerful. Judge for yourselves: Chechnya; the payment of debts to the savings banks; military reform.... He is an active president: Why change him?

My party — Russia's Democratic choice — supports him. Gaydar really regrets that he said he would not support Yeltsin. We will criticize Boris Nikolayevich for his mistakes, but we cannot refuse to support a president who is conducting reforms. At the last congress only two people among us expressed themselves in support of Yavlinskiy. And that is all! But we will do all we can to ensure that we are in contact with Yavlinskiy. In Grigoriy Alekseyevich's interests, so that the Communists do not come to power.

[Kasyanenko] Will there not be a fight between him and Lebed at Yeltsin's throne?

[Pochinok] I do not think that anyone can organize a fight at Yeltsin's throne. He will simply not allow this to happen; you must remember all his years of work. Lebed is now attracting the electorate of Zhirinovskiy and Zyuganov, and he has done a marvelous job of the election campaign. I will not be surprised if he moves into second place. But I think that he will end up in third place, all the same.

We hope that everything will be resolved in the first round. Personally I will be satisfied if things are not settled in the first round, but we achieve around 40 percent. That would be a very good result.

If there is a worse result, this means that we, the personal representatives, have not worked hard enough, as we have a wonderful candidate.

His morale is wonderful. You saw him on television today.

[Kasyanenko] Yes, I did, and I wanted to ask you how you assessed his statement at the ballot box on election day to the effect that the Communists would be prevented from coming to power, and that he had called Ryabov, who is chairman of the Central Electoral Commission?

[Pochinok] Well, that was an unofficial statement, that was the opinion of a person putting his vote into the ballot box. He simply said what he thought. And anyone can call Ryabov. Including you.

In fact, why bother calling, when Nikolay Timofeyevich is right here in the hall?

[Kasyanenko] Nikolay Timofeyevich, what did you talk to Boris Nikolayevich about on the telephone today?

[Ryabov] I have not spoken to him. Who told you that?

Russia: Yavlinskiy Waits for Yeltsin To Announce Plans

LD1806164496 Moscow INTERFAX in English 1612 GMT 18 Jun 96

[FBIS Transcribed Text] MOSCOW, June 18 (Interfax) — The Yabloko movement, in defining its position in the run-up to the second round of the Russian presidential elections, wants to know what President Boris Yeltsin will do and what changes in the government and in policy he will make, Yabloko leader Grigoriy Yavlinskiy told journalists in Moscow Tuesday [18 June].

He said that so far Yeltsin had implemented only one of the proposals he had made to Yeltsin before the first round: Defense Minister Pavel Grachev resigned today.

"I have no problem with employing myself. I am not looking for a job," Yavlinskiy said in reply to a question whether he is prepared to join the government.

At the same time he said he was ready to participate in the work of a government that would really carry out reforms, stop the war in Chechnya, be free of corruption, ready to proclaim private property as the highest value and make human rights the cornerstone of its policy. "I would be ready to have any post in such a government," said Yavlinskiy.

"I want my country to have an open society in 10 years, real market and respect for human rights. If this goal requires my joining the government, I am ready to accept any post," he said.

Asked what posts Yeltsin could offer to Yabloko members in exchange for supporting his candidacy in the run-off, Yavlinsky said he was not thinking about that issue. "This is not a deal. What we are fighting for now is not government seats," he said, recalling that he was deputy prime minister in 1990 but quit because he disagreed with government policy.

Yavlinskiy said 1.5 million more voters supported him in the first round of the presidential elections than voted for Yabloko at the parliamentary elections last December. "The first round of the presidential elections convinced everyone that the democratic opposition is a real force. I see a real opportunity to continue our work as a democratic opposition, which is very important for my country," he said.

Yavlinskiy said only a small number of those who voted for Aleksandr Lebed, who came in third in the first round, are prepared to vote for Yeltsin in the run-off. He believes their eventual number will depend on how convincingly Lebed explains to his voters why he has agreed to become Yeltsin's national security aide and secretary of the Security Council.

Russia: Yavlinskiy Complains of Nonaccess to Media

LD1806220496 Moscow MTK Television in Russian 1825 GMT 18 Jun 96

[Studio interview with presidential candidate Grigoriy Yavlinskiy from the "Boris Notkin Invites" program — live]

[FBIS Translated Text] [Notkin] Good evening dear viewers. We have with us in the studio a guest who does not need a long introduction, Grigoriy Alekseyevich Yavlinskiy. Grigoriy Alekseyevich, how do you assess the election results?

[Yavlinskiy] Good evening. The main problem which appeared at the start was that the choice had to be made between Yeltsin and Zyuganov. This turned out to be the case and this is the situation we have found ourselves in today. One can't yet say that the dilemma has been resolved. One can't yet say that we have got rid of the question which was was being put to society by design, or forced on it, if you wish, during the last six months.

However, I would add a few more things. Mainly I would like to use this chance to thank everyone who voted for me. I feel a great responsibility, especially in Moscow where voting for me was not easy due to a strong advertising campaign urging votes for Yeltsin and Yeltsin alone, otherwise the vote would be lost. All these words kept pouring in, which did not make much sense but created a strong propaganda effect. That is why standing up against this propaganda and voting for me was an act of great courage and I am grateful to everyone who voted in harmony with their views and beliefs.

I should also add and stress the fact that the elections have taken place is an extremely important factor. True, there was no equality in these elections — we have yet to talk about it, no doubt. True these elections were unfair, with all the deviations one can think of, with law violations and the squandering of budget funds. All this is true. Nevertheless, the elections did take place. This is a very great achievement. If they end peacefully, and if there is a peaceful change of power in Russia — in the sense that a new president is elected — this will be a very great and serious achievement.

[Notkin] Grigoriy Alekseyevich, you said that a Yeltsin-Zyuganov bipolar system had been imposed on society. Do you think Zyuganov was imposed on society? That would mean that Zyuganov was thought up in the Kremlin.

[Yavlinskiy] In his most fortunate moment Zyuganov got the vote of 25 million people — that was the luckiest moment in the seven years of his party's existence.

[Notkin] He has managed to hammer out a sufficiently large coalition, has he not?

[Yavlinskiy] These people would always vote for the Communists, regardless of coalitions. Because when they say that we have 90 or 100 parties, this is simply a joke. Everybody knows that we have no such parties and that these parties consist of one person. One hundred parties means 100 people, nothing more. What is more, Zyuganov's is not really a coalition. It is just that these people have come together and now have meetings under the same roof. So, Zyuganov's electorate is a maximum 20-25 million people.

[Notkin] How many voted for him?

[Yavlinskiy] Less than that. Yeltsin got ahead of him with 22 million having voted for him and about 20 million voted for Zyuganov. That is with the 70 percent turnout with 70 million people having voted. Utterances to the effect that Zyuganov would win the first round and that therefore everybody should vote just for Yeltsin were simply arithmetically-based propaganda. And that is the propaganda about which I am talking. It has led to the situation where people were simply afraid of voting. They did not vote for Zyuganov, for a very good reason. They were rightly concerned, with good reason, and I share their concern. I generally think that the Communist Party should never be allowed to rule in Russia ever again. Moreover, I believe and am convinced that it must never rule.

So the people who were afraid of this forced dilemma, with Zyuganov coming to power and that no one but Yeltsin can beat him, voted the way they voted. In Moscow Yeltsin got 61 percent.

I understand these people's worries, I understand how many of them voted in line with this forced alternative. In this respect, Zyuganov was indeed forced, and blown out of proportion, especially to create a fear of him.

[Notkin] Do you really want to say that the Kremlin helped Zyuganov by blowing him up?

[Yavlinskiy] It was using him as a scare. That's the way the campaign goes. In this campaign one could not prove that Yeltsin was good, one could only prove that Zyuganov was bad.

[Notkin] I hold a different view on this. I thought on the contrary that Zyuganov was so black that one didn't need to paint him any blacker. Again, I don't mean the person of Gennadiy Andreyevich who appears to be a reasonable man what I mean is what he represents. On the opposite side, the Kremlin has made a pathetic show of what Zyuganov's coming to power may entail. I believe that in real terms although the propaganda was using Zyuganov as a scare he did not look all that scary and also no one needed to slander the Communists after all we know about them. One just needs to remember history. As for fear, it is what it is. I personally was afraid that Zyuganov would come to power and my behavior, including as a professional, was greatly affected by these fears.

In the last months I was much more cagey in my remarks about the country's leadership than I had been before.

[Yavlinskiy] In fact, Boris Yeltsin's campaign was not built as a referendum on whether Yeltsin's policies were good or bad; conversely, it was a propaganda campaign against Zyuganov.

[Notkin] Grigoriy Alekseyevich, there is one thing that I can't agree with. Yes, the campaign was held in this manner. However, Zyuganov is a fact of life, he has not been invented and the danger is real rather than imaginary.

[Yavlinskiy] This bi-polar system in which there are only two men, Yeltsin and Zyuganov, created an artificial scenario which the elections revealed. If you look at how many people voted not for those two candidates, you will realise that a considerable number of people were against either, especially in Russia as a whole.

In this sense the campaign was very unequal and every candidate's situation was different. One was shown in news bulletins for half an hour, others got nothing but a cursory mention about where they went, or, as a rule, something stupid was invented about them to boot.

[Notkin] Like that [Duma Deputy who got rich through a pyramid scam, Sergey] Mavrodi financed you through MMM [the name of the scam].

[Yavlinskiy] That for example Mavrodi financed me and other rubbish like this. In this sense the campaign was built between the two people. So now we have found ourselves in a situation when they are almost on a par, with Boris Nikolayevich Yeltsin having a very slight advantage.

The choice is dramatic now, may be even tragic. This is what concerns me. The situation is going to be very tense now,.

[Notkin] Georgiy Satarov, someone close to Boris Nikolayevich Yeltsin, whom I respect greatly as a first-class professional, has publicly expressed his regret on many occasions that attempts to create an alliance with Yavlinskiy have failed because, if there were such an alliance and if the democratic base, which Yavlinskiy pinned his hopes on was there, then Yeltsin might have already won in the first round. In your opinion, will the votes which were given for you, these 8 percent, go to Boris Nikolayevich or somewhere else?

[Yavlinskiy] First of all, I would like to say yet again that it's naive.

[Notkin] If you don't mind I'll look through the questions and listen to you at the same time, just like [Julius] Caesar.

[Yavlinskiy] OK then. The idea that politicians can act of their own accord, to advocate for something and hope that their voters will do what they ask for is rather naive. Moreover, I have great respect for my voters, they are very intelligent. I have no doubt that they will take their own decision about how to vote irrespective of what I say.

They know Yeltsin very well and all he represents just in the same way as you were talking about the Communists right now. They will take the right decision. It's obvious to them that one shouldn't vote for Zyuganov. As for voting for Yeltsin, this is a more difficult question. Voting against both means indirectly supporting Zyuganov.

Hence they will face a very difficult dilemma, they will have to choose between general principles and their individual conscience and ideas. But the main question that will baffle my electorate and myself is what Yeltsin will do after 16 June. Who can vouch that his policy will be one corresponding to the interests of the country and that it will be safe for the country? If you remember my negotiations with him in mid-campaign, the negotiations that were very complex and, frankly speaking, not to my advantage, although I agreed to them, they showed that he did not want to change anything, neither his policy nor people or cadres. So the main worry of my electorate and myself is what Yeltsin will do if he is reelected. We realise, as it were, that we cannot support Zyuganov under any conditions, this is completely ruled out, but as regards Yeltsin we have very considerable doubts and so far there has been no sensible answer to these doubts. And the entire preceding experience shows that there is every reason to have these most profound doubts.

[Notkin] You see, Grigoriy Alekseyevich, I am speaking only for myself but I believe that my view coincides with that of many people. Of course, Boris Nikolayevich has many shortcomings but he is a realistic politician and, human faults aside, a realistic politicians falls back on some forces and is or is not under the influence of specific movements. Thus, if in the elections not 8 percent but, say, 20 or 17 percent had voted for you Boris Nikolayevich would have realised that there was some powerful force upon which he depended. And although, as you said and it is true that you got considerably shorter airtime on television and your financial support was considerably more modest but nevertheless you had quite a few strong supporters. Take each article by [Aleksandr] Minkin in MOSKOVSKOY KOMSOMOLETS — and Minkin enjoys a broad readership numbering 1,500,000 in Moscow — so it is hardly possible to claim that nobody heard about Yavlinskiy. Nevertheless, I was very puzzled by the voting pattern, frankly speaking. What would you say to that? After all, each government and each ruler deserves the people that promote them, as a well-known proverb says.

[Yavlinskiy] Let me remind you of a real politician. You have made me think of a man whom you might remember, Mikhail Andreyevich was his name.

[Notkin] Suslov? [Brezhnev's ideologue, father of theory of developed socialism]

[Yavlinskiy] Indeed.

[Notkin] Oh yes.

[Yavlinskiy] He invented real socialism, which meant: The way we live is real socialism. One can say of course that some things could be done better or in a different way but it's all rubbish because there is real socialism. So when someone, not you of course, starts musing about Yeltsin the real politician it sounds roughly the same: That's what Yeltsin is like, that's the reality and there is no other reality. This is the first thing.

The second is the percentage you mention. First I would like to say that the number of those who voted for us in this election has gone up by 1,200,000. A total of 1,200,000 of new votes.

Why did we only get 8 percent of the vote? Well, for example, I couldn't get on to your program even when you invited me. Also for example, because there was a very serious system operating. The problem wasn't my financial capabilities — incidentally my financial capabilities were perfectly satisfactory. However, the leading newspapers of the country would not print even for money pieces signed by the most famous people in the country, asking people to think a little harder and support the democratic opposition at the elections.

As for Aleksandr Minkin, I'd like to ask you how many articles by Minkin have there been in MOSKOVSKIY KOMSOMOLETS over the past six months. Do you know how many? One.

[Notkin] But a very strong one, you must admit.

[Yavlinskiy] All his writing is strong, so was this one. But just one. And it wasn't an article, just a comment. His main articles were just not published. That is the problem.

[Notkin] All right then. I can unconditionally agree that you did not have an opportunity to deploy a comprehensive propaganda campaign. However, your opinion was well known. You can't say that no one knew about Yavlinskiy. One can't say that. So unfortunately what upset me is the condition our society is in. If you say what guarantees — there are no other guarantees than those of Boris Nikolayevich himself.

[Yavlinskiy] Mikhail Leontyev once wrote that Boris Nikolayevich is the best guarantor of the absence of any guarantees. This sentence is very clear to me. I would also like to add that one man cannot represent guarantees of a change in a social formation, as you can guess. The problem is: why again are we standing face to face with the Communists? Don't you think that Yeltsin's policies in the last five years have put him before the same enemy — or opponent — that he faced five years ago? This means that his reforms and all he did in the country were insufficient, incomplete, or inefficient, or not deep enough — at the end of the day his opponent is the same.

[Notkin] However...

[Yavlinskiy, interrupting] Just let me finish. However, why are the Communists so strong today? Because there is a war in Chechnya, and Yeltsin is doing all sorts of things to stop the war, but he will not say that the Chechens have the right of self-determination that they want, or that the troops must be withdrawn, or that a referendum should be held. Elections were held there, and did you know that in the elections in Chechnya Yeltsin got 51 percent? Can you really believe that? Why hold an election like that? What for? It just means provoking a war again. That is what it is all done for.

What did we stand against? Against the policies which stop people from getting pensions and wages. That is what breeds Communists. Corruption and crime: General Lebed spoke today about unimaginable things. All this exists in our country today. That is where Communists appear from. Communists are the effect, not the cause. So if our guarantor continues with the same policies, we will face the same choice all the time.

[Notkin] Again, one can say anything. A glass may be half full or half empty. One can talk about Yeltsin's shortcomings. Conversely, one can say that the elections have been valid and that there is reasonably great freedom of press.

[Yavlinskiy] Especially during the campaign.

[Notkin] Let's put it this way: it's sufficient. I do not want to engage in propaganda and list all the advantages which there are, regardless of all. Moreover, I cannot really say that he botched the job while there was a simple solution.

I am not at all convinced that we should withdraw the troops from Chechnya and hold a referendum there. We don't know what will come out of it. I don't want to say that we should stay there, but in spite of being au fait with the situation in Chechnya, for example, I have no clear-cut idea of what the simple way out is. That is why when I hear that, if we leave everything will be fine, I am not convinced.

[Yavlinskiy] Nothing is ever going to be all right again. You just need to see the criterion. The criterion is to stop the bloodshed so people stop dying there. That is the criterion. That is the principle. I think that if you are interested in this issue in future you will find a correct answer using this criterion, because this war is senseless, very cruel, and bloody. It is causing enormous harm in our blood. All of it, the Army's and the people's. We will be sorting this out for a very long time yet. So it is a very important issue, and I insist that — I want to tell everyone who is interested that this is the only settlement possible. Any other settlement is simply impossible.

[Notkin] Grigoriy Alekseyevich, plenty of questions have come in, plenty of questions. Let's look. Luiza Alekseyevna, deputy director. What do you think about the appointment of General Lebed to a new post, and why has he accepted this proposal?

[Yavlinskiy] I think Aleksandr Ivanovich Lebed believes that he can do what he promised to his electorate now he is in this position. I think that is what he believes. It is a very difficult question to answer. We will see very soon.

[Notkin] Zinaida Aleksandrovna Petrova. I voted for you. I want you to work together with Boris Nikolayevich and with Lebed. Then our state will be unbeatable. I wish you good health and will vote for you again.

[Yavlinskiy] Thank you very much. I am very grateful.

[Notkin] And how about working together with Lebed and Boris Nikolayevich, as she wishes?

[Yavlinskiy] I will bear her wishes in mind. But I can only work if I can bear responsibility for the results of my work. And my work is not just taking part in the government and filling a chair. It is not just decoration. The reality will be carrying out what I consider to be absolutely essential for our country. In that case we can talk about working. If it is all just flim-flam, I do not want to take part.

[Notkin] Natalya Ivanovna Gustavkina. We just voted, not for Yeltsin but for the way forward, which he has led us to during these past years. I was shaken that Yavlinskiy did not understand that.

[Yavlinskiy] I would put it this way. I understand that many people voted for a way forward. However, these were nonetheless the elections for a president. There were other people among the candidates who not only agreed with this way forward, but knew how and what needed to be done to make sure it is really a way forward and not a little path that leads off we know not where. So, all the same we should not confuse things and use this sort of propaganda, to the effect that we voted for a system. We voted for a specific person, not for a system. Now only two are left, and we have been placed in this position by force, whereby we have to vote. We have to remember that if we carry on with the policies that Boris Nikolayevich Yeltsin is currently following, with the very best intentions and the very best ideas, we are faced with the threat of turning into a criminal oligarchic super monopoly country of nomenklatura capitalism, the cruellest and most unacceptable kind.

[Notkin] Worse than a communist regime?

[Yavlinskiy] Worse does not come into it. You are asking that as though...

[Notkin, interrupting] But that's the choice, there will be a third choice now [as heard]. We are talking not two months after the elections but two weeks before the elections [as heard].

[Yavlinskiy] Sometimes people ask small children: who do you love more, mummy or daddy? This question usually just completely throws the children because how can they answer this question? You are asking me much the same question. What is better — Communist labor camps or endless war in Chechnya? How can you choose between these? Why did we have to choose just between these two? Was there simply nothing else in the country? Why do we always just assume that there cannot be anything else in our country? Either killing 60,000 people in Chechnya, or everybody in the camps. Why was this the choice?

[Notkin] Well, that is our reality today. It is that word, reality, again.

[Yavlinskiy] You were asking me — what would you prefer? Tell me.

[Notkin] I can tell you for certain that I will vote for Yeltsin.

[Yavlinskiy] No, I was asking you about camps and Chechnya.

[Notkin] For me, the camps are worse than Chechnya, because you can do something about Chechnya, but you cannot do anything about the camps.

[Yavlinskiy] I understand.

[Notkin] Nadezhda Alekseyevna. Your future fate as a politician. I voted for you.

[Yavlinskiy] Thank you very much, Nadezhda Alekseyevna. I will continue to stand up for the values I stood up for at these elections, with greater effort, with a greater number of votes given to me by the electorate, with more hope, with more — and this I promise — firmness and strength. We are the democratic position. We do not want democracy in Russia to be ashamed of itself. We are standing up for the right to make changes to the policies which have brought us to an extremely melancholy state. If we carry on just glorifying and showering compliments on the things that are happening in our country today at the behest of our leadership, we are simply betraying the interests of our fellow countrymen.

[Notkin] Tatyana Sergeyevna. We like you very much. It does not matter that you did not win. You have everything before you. Vera Alekseyevna Soboleva, printer. We voted for you in both rounds [sentence as heard]. Who should we vote for in the second round? We voted for you in the first round.

[Yavlinskiy] I think this is not the last time I will be saying this. I can definitely tell you one thing today: you cannot vote for the Communist Party. Well, in Moscow the question doesn't arise. Sixty-one percent, or 69 percent together with my own, did not vote for the Communist Party. It was a very small percentage that did. You cannot vote for the Communist Party. If you try to vote against both, you have to understand that this could help Zyuganov. As far as voting for Yeltsin is concerned, the question is this: Voting for him means taking responsibility for everything he is going to do after the elections. And here very big problems come up. I am saying this today because Yeltsin must, before the second round, at least take upon himself an obligation over exactly what he is going to do. Just not the way he does when he promises a professional army by the year 2000, then a month beforehand changes the national service period from 18 months to two years. Or when he promises to end the war in Chechnya, and instead holds some sort of [pause] tricks, flying there himself when they take hostages, which in fact is an utterly meaningless action, and then holding elections there under Zavgayev's leadership with a purely provocative aim. Or when he says he will pay pensions and wages, and as we know it does not happen. Bearing all this in mind, I hope that perhaps Yeltsin can win, and there might be some hope that after the 16th there will be changes in his policy: basic, serious, and fundamental changes.

[Notkin] Taisya Aleksandrovna. What is the purpose of your speaking today?

[Yavlinskiy] The main aim of my speaking is to thank my voters and to say that there is a possibility [pauses] thank you for your support. I want to assure everybody who voted for me — and those who were prepared to vote but in the end voted for Yeltsin for various reasons, I can understand these people very well — that I will do everything in my power to continue my work. I will act firmly in our common interests. Many of you have asked me today about posts in Yeltsin's government. I want to tell you now that I will not take any post in Yeltsin's government.

[Notkin] Grigoriy Alekseyevich, your last sentence today, because our time is up, causes me deep regret, but I hope that the leadership of the country will find themselves capable of using your intellectual potential for the good of the people. All the best.

[Yavlinskiy] Thank you.

Russia: Electoral Commission Seeks R450 Billion for Second Round

LD1806153896 Moscow INTERFAX in English 1512 GMT 18 Jun 96

[FBIS Transcribed Text] MOSCOW, June 18 (Interfax) — The Russian Central Electoral Commission has demanded that 450 billion rubles [R] be urgently provided to finance preparations for the second round of Russian presidential elections.

If the Finance Ministry does not transfer the money within two days, the preparations will not be completed, commission Secretary Aleksandr Veshnyakov told a commission meeting Tuesday.

Commission Chairman Nikolay Ryabov told journalists after the meeting that talks with the Finance Ministry on the issue are under way and the money will be provided. "Nothing and nobody will prevent us from preparing and holding the second voting," he said.

The commission approved a plan of measures to prepare for the runoff.

It also decided to extend financial operations with money deposited in presidential candidates' special accounts until June 29.

Russia: Cash Shortage May Disrupt Second Round of Election

MM1806153896 Moscow IZVESTIYA in Russian 19 Jun 96 p 2

[Report by Anatoliy Stepovoy: "Date of Second Round Not Yet Set. There Is No Money for It"]

[FBIS Translated Text] The threat that the holding of the runoff might be disrupted comes from an organization which, with the best will in the world, can in no way be described as being involved in politics. But it is the Russian Federation Finance Ministry which now holds the fate of the election of the country's president in its hands.

The Finance Ministry has allocated to the Central Electoral Commission only 693 billion of the 1.88 trillion rubles [R] incorporated in the federal budget. All the Central Electoral Commission's attempts to obtain the stipulated sum have received from Panskov, the head of the financial department, and his first deputy Petrov the curt reply: "There is no money."

"Without this money," T. Petronavichyus, chief of the Central Electoral Commission Financial Control Administration, said, "electoral commissions will not be able to ensure the immediate preparation of ballot papers and other printed matter or to finance expenditure on wages, transportation, and communications, which accounts for around 90 percent of all expenditure."

The last date for allocating money to the Russian Federation Central Electoral Commission is 19 June. Otherwise the disruption of the presidential runoff will move from the realm of supposition to reality.

I have learned that not only V. Chernomyrdin but also B. Yeltsin has become involved in the work to obtain the necessary sum. But as of midday 18 June this problem remained unsolved.

While the Central Electoral Commission is tackling an exclusively pragmatic task, a theoretical debate about other dangers has broken out over the runoff. Will it be disrupted if the following hypothetical scenario materializes: G. Zyuganov accepts B. Yeltsin's offer of a senior post in a coalition government and declines to participate in the second round of the contest for the presidency.

"There cannot be a single-candidate Russian presidential election," Central Electoral Commission Secretary A. Veshnyakov told IZVESTIYA. "In such a case Boris Yeltsin's opponent would according to the law be Aleksandr Lebed, who came third in the election."

[IZVESTIYA] "What if he, having already obtained senior posts in Yeltsin's team, withdraws his candidacy....

[Veshnyakov] In that case Yavlinskiy would be declared the second candidate for the runoff. And so on. Right on down the line until Bryntsalov, who came last. In any case, I repeat, there can be no single-candidate elections in Russia. There can only be a repeat election instead of a runoff. [Veshnyakov ends]

Although the Central Electoral Commission has still not decided the date of the runoff and various suppositions are being made in the press, even including the possibility of holding the second round on a working day, Central Flectoral Commission Secretary Veshnyakov stated unequivocally:

"The runoff will be held only on a nonworking day."

Currently 30 June, 3 July, and 7 July are being talked of as the possible dates. The candidates themselves are stating their preferences. As is known, Yeltsin intends to submit to the State Duma a draft law declaring 3 July a nonworking day in order to hold the second round of the presidential election.

Zyuganov told IZVESTIYA correspondent S. Chugayev that the decision on this question will be made at a session of the faction on the afternoon of 18 June. But at the same time he let it be known that he is interested in reducing the interval between the first and second rounds. "Right now everybody is interested in ensuring that the country is working and that it remains in a state of expectation and limbo for as short a time as possible," Zyuganov stated.

Russia: Electoral Commission Prepares for Second Round of Election

MM1906104596 Moscow KRASNAYA ZVEZDA in Russian 19 Jun 96

[Report by Aleksandr Pelts: "Counting in First Round of Presidential Election Continues]

[FBIS Translated Excerpt] [passage omitted] The Russian Federation Central Electoral Commission [TsIK] is already making active preparations for the second round of voting. We have been informed by the TsIK press service that posters with biographical information on the two leaders in the first round — Boris Yeltsin and Gennadiy Zyuganov — are currently being urgently printed on the TsIK's instruction. The haste is perfectly understandable because it is necessary to put up new precinct electoral commission election posters throughout Russia and in voting centers for Russians abroad. New ballot papers are also being urgently printed.

TsIK Chairman Nikolay Ryabov intends to hold another phone-in conference with election organizers at local level at the end of this week. It is not difficult to imagine that the main question worrying the regions is money. Will the TsIK manage "to pump" large sums of money to them in such a short time? After all, it is no secret that in certain regions many electoral commissions toiled away on "starvation rations," as it were, even during the first round. However, the TsIK is optimistic: The request for the allocation of extra resources was submitted in good time. But will the money be found?

The voting mechanism itself will remain the same as in the first round. The same number of precinct electoral commission members will also be at work. We would remind people only that voters who used dispensation documents [documents which allow a voter to vote in a polling place other than the one at which he is registered] in the first round must hand them to the representatives of precinct electoral commissions after registration.

Now for the date of the second round. As people will already know, Russian President Boris Yeltsin has submitted a draft law to the State Duma declaring 3 July a holiday in order for the second round of the presidential election to be held. Despite the enormous amount of work, the TsIK is prepared to hold the second round as early as 30 June.

Russia: Second Round Results Far From Certain

MK1906125496 Moscow KOMMERSANT-DAILY in Russian 18 Jun 96 pp 1, 3

[Commentary by Georgiy Bovt and Natalya Kalashnikova under the "After the Vote" rubric: "The Second Round Will Be More Difficult Than the First"]

[FBIS Translated Text] "Out of the question!" Boris Yeltsin snapped, answering the question of whether a Communist victory in the election is possible, advising Russians not to miss the soccer match between Germany and Russia in the evening (which the Russians lost 3:0). "We have already won: President Yeltsin is carrying out our program," Gennadiy Zyuganov responded to the same question. The stances announced on the morning of election day by the key contenders could make the unsophisticated man in the street involuntarily conclude that the future of the top post is already predetermined: Yeltsin has no doubts about his victory, while Zyuganov's speeches smack of defeatism. It seems that precisely the conviction that the outcome is already a foregone conclusion was one of the main reasons for the low — at least lower than expected — voter turnout. This was the first sensation of the first round. The second sensation, which was enthusiastically reported by the mass media, was the soaring of Aleksandr Lebed. Paradoxically, both the first and second sensations promise numerous problems for Boris Yeltsin in the second round. Commentary by Georgiy Bovt and Natalya Kalashnikova.

It Is Too Soon To Relax

Yeltsin, who is not accustomed to losses, predicted his convincing victory already in the first round. But he managed to clear the 50-percent boundary only in Moscow, Yekaterinburg, Kalmykia, Tuva, Yakutia, Perm, and a few other districts. According to preliminary results, Yeltsin polled a national average of 35.02 percent. Admittedly, Zyuganov, too, had his isolated convincing victories with an average result of 31.95 percent. Analysts attribute the president's optimism to his understandable desire to bring psychological pressure to bear on his opponent and to mobilize his supporters. Preventive measures taken by Yeltsin's staff in the mass media in order to rule out the use of force by the opposition had a restraining effect on the CPRF [Communist Party of the Russian Federation]: There were neither provocations nor even emotional outbursts in the polling stations. Meanwhile, the Communists polled nearly as many votes as they were predicted to.

On the other hand, the president's optimism, reinforced by his utterance that his team was forbidden even to think about the second round, gave his supporters grounds for relaxation: Everything is clear all the same, so why bother. In this regard a curious phenomenon was revealed by pollsters even back during the surveys: The number of respondents certain of Yeltsin's reelection was twice as high as the number of those wishing to vote for him. Moreover, as your KOMMERSANT-DAILY correspondent managed to find out from conversations with voters who voted for Zyuganov, many of them were certain that Yeltsin would remain president. Either the thesis of "an inevitable falsification" played its role or it was the still lingering Russian creed that "my vote will make no difference all the same," but even worried statements from the Yeltsin headquarters about lukewarm turnout effectively had no impact on the voter's activity. Yet, it is strange that this could have happened in politicized Moscow.

But while Yeltsin could get away with it in the first round, by the second round this self-complacency could spell an unwelcome turn for Yeltsin. Let's take at least the case of the usually highly politicized St. Petersburg, where a tumultuous mayoral election campaign ended recently. Residents were weary of any campaigns. In the end, it took former mayor Sobchak's desperate appeal for the presidential election to take place there at all. One does not need to be a genius to make the following forecast: With a turnout considerably lower than 50 percent in the second round and given the leftist electorate's well-known discipline, the vote might well turn out unfavorable for Yeltsin. In any event, pollsters' forecasts that the second round would end in Yeltsin's victory by a wide margin should be forgotten. The president's campaign needs urgent adjustments, focusing on a search for new allies and methods of broadening Yeltsin's support base.

Neither Left Nor Right, But Simply Tough

The idea that we are in for a fierce struggle was heard — albeit in a veiled form — from Yeltsin in his native Yekaterinburg with two days to go before the vote. He hinted that he had far-reaching plans with regard to General Lebed: Allegedly "there is a man" in the pack of hopefuls who has a chance of becoming president in the year 2000. Given Russian uncertainty in general and the 1996 election results in particular, this move is unlikely to have been prompted by strategic considerations. Rather, it was a matter of tactics: Yeltsin gave thought to finding an ally in the second round even before the first one.

Curiously, the mass media became particularly attentive to Aleksandr Lebed during the last days of the campaign. (By the way, the fact that his promotion fell on the very finish of the race partially excuses the pollsters, who did not have time to correctly calculate Lebed's phenomenon.) The general himself had carefully to dilute his "antiregime" utterances in previously shot advertisements ("order against bureaucracy, corruption, and the arbitrariness of authority") with — already live — harshly anticommunist speeches. Yet he never praised the authorities either. It seemed that Lebed was even somewhat embarrassed by a possible alliance with them: For some reason he would not admit, for instance, meeting with Yeltsin, even though there was talk about this meeting in the presidential team, and persistent rumors were circulating in Moscow that the post of Security Council secretary could be offered to Lebed. Lebed was also ambiguous in his answers to journalists' tricky questions as to whom he would back in the second round.

It cannot be ruled out that the cunning stance of the usually straightforward Lebed, who tends to speak in unsophisticated aphorisms, was caused by tactical considerations. First, the general's electorate — which turned out to have not been covered by sociological analysis (something of which many have for some reason forgotten) — is for the most part not pro-Yeltsin. This could be indirectly deduced from the evident shortfall in, let's say, Zhirinovskiy's vote. (Yet, the general could have captured some votes from Yeltsin, too.) There was no reason to frighten them by an alliance with the authorities — either for Lebed or even for Yeltsin — if the latter expected that the "Lebedites" would obediently follow their favorite's possible call to back the incumbent president. It is another question whether they will in fact do so. As for the Russian electorate, not only is it impossible for its favorites or chiefs to turn it over to somebody else, but, judging by the same public opinion polls, it itself does not know its ways: A considerable portion did not keep even the simple "firm intention" to turn out for the vote (70-74 percent were forecast, while the most ardent optimists predicted even the fantastic 80 percent).

Yet there are no illusions regarding the mysterious Russian soul in the Kremlin either. According to Yuriy Baturin, national security adviser, "even if Lebed asks his electorate to vote for Yeltsin, there is no guarantee that his call will be heeded." Here it would be logical to pass to what we see as second: It cannot be ruled out that Lebed himself did not rush to enter into alliance before the first round so as to demand weightier guarantees from the president according to the vote results. The "solid guarantees" were needed also in order to actually demonstrate to his voters that he, Lebed, means something not only in tandem "with Yeltsin," but that he himself is a major figure capable of having real influence on the state of affairs. It is not by chance that he remarked to ["Itogi" television show anchorman] Yevgeniy Kiselev: "I am not more left-wing or right-wing, I am just tougher."

Big Coalitions — Big Problems

Currently, informed sources in the presidential entourage talk not only about the possibility of offering Lebed the post of Security Council secretary, but also of combining it with the post of deputy prime minister supervising the power agencies (something that, given the personal factor, could entail personnel changes among the "power" ministers) as well as of creating a special post of state secretary that could be subsequently transformed into, let's say, the vice presidency by making corresponding constitutional amendments. In a word, the issue is actually the possible inclusion of the spectacularly soaring general-cum-politician in the trio of the country's leaders (the general has so far laid no claim to the post of premier).

It is not quite clear, however, what consequences the abrupt intrusion and elevation of a brand new figure — potentially very strong, albeit not yet versed in big politics — could have for the Yeltsin team. The feeling is that the reaction by a number of influential "power" ministers could be jealous and even painful. Furthermore, the Grachev-Lebed tandem appears absolutely absurd, although there has been talk that the former might be replaced by the latter. It is also unclear whether Lebed would be able to actually put down roots in the Kremlin.

According to Duma Deputy Speaker Aleksandr Shokhin, "a kind of transition-period government" could be formed even before the second round. At the same time, in his words, Viktor Chernomyrdin is due to stay on as prime minister. Apart from Lebed, Yeltsin intends to hold talks with other candidates of the noncommunist spectrum, namely Grigoriy Yavlinskiy and Svyatoslav Fedorov. As for Yavlinskiy, Finance Minister Vladimir Panskov noted that he could probably set his sights on his portfolio. Panskov himself is taking it easy, though. Shokhin does not believe, however, that Yavlinskiy would wish to join the Chernomyrdin Government and would "in all likelihood prefer to remain in democratic opposition." Reaching agreement with the "Yabloko" leader would be both more difficult and simpler for Yeltsin. On the on hand, Yavlinskiy is determined and uncompromising: Despite the long-standing predictions about the bipolarity of the upcoming election, he did not withdraw his candidacy and lost some ground compared to his showing in the Duma elections. On the other hand, a considerable part of Yavlinskiy's electorate will back the president one way or another. Yet another considerable part of his electorate would display a degree of consistency worthy of their leader — these people will either vote against both or will stay home. So Yeltsin could realistically count only on minor support from "Yabloko" loyalists. The role of Fedorov is difficult to predict because of his extremely poor showing.

As for Zhirinovskiy, who has visibly lost weight (first of all, apparently, at Lebed's expense), talk about all conceivable interround coalitions assigns him the role of the CPRF's potential ally. This view could be accepted, but with reservations. Zhirinovskiy is not an ally by definition. The electorate of his Liberal Democratic Party of Russia [LDPR] is another matter: In all likelihood, three-fourths of these people will go for the CPRF. Zhirinovskiy himself frankly assessed his prospects in this elections: This is not our year. In the year 2000, however, "we will win for sure." Generally speaking, one gets the impression that this time around the LDPR leader either tried to save money — he was not embarrassed even to put on the air his December ad about butter from the EU and would not put up the money for observers ("the CPRF and Yeltsin will see to it and calculate everything") — or he actually decided to remain above the fray without any ulterior motives. With whom to strike up an alliance is not an ideological or even political matter for Zhirinovskiy. He is perfectly aware of the fact that his unpredictability is his greatest asset. No sooner had passions cooled down after his consultations with Zyuganov when the LDPR leader, with a serene look, accused that same Zyuganov in the last, decisive days of the campaign of hatching a conspiracy with world imperialism (in Davos!) and called on the Communists to vote for him. Judging by the election results, the Communist did not budge. The LDPR followers are unlikely to pay heed even if he were to call on them to vote for Zyuganov. Zhirinovskiy's chiseled profile will turn toward the one who is stronger, there is no doubt about it, if only because bargaining is his political destiny. As for bargaining, it only makes sense to bargain with the authority. Whoever might end up in power, the LDPR leader will continue maneuvering and drawing dividends from his restless mobility. He will always garner his subsistence minimum of votes, as was the case this time. Of course, unless the authorities close down the electoral shop for good. And since theoretically this can be done by the Communists, but not by Yeltsin, it makes no sense for Zhirinovskiy to play considerably into their hand. He walks by himself and enters into alliances to take specific and expedient advantage (as he does in the State Duma). Zyuganov is aware of that, but, to all appearances, he would nonetheless consider an alliance with Zhirinovskiy as well as with those who "won more than 1 percent." His meeting with Lebed is also a possibility.

Instead of a Forecast

According to Sergey Shakhray, member of the presidential headquarters, Yeltsin feels "confident and looks calm, although his election results turned out to be lower than he expected." Shakhray said that at 0700 on Monday, when members of the headquarters delivered their reports to the president, the percentage of those who voted for Yeltsin was not discussed. At the same time the president pointed out that in 1991, 1993, and 1995 "the Communists did not manage to get more than 25 million votes." Having reaffirmed his readiness for a compromise with reformers, Yeltsin emphasized that "the Russian voter is not intent on turning back."

Zyuganov is also fully optimistic about his chances in the second round. According to the Communist leader, he could well expect to achieve final victory in the event that "substantial coalitions talks could be held." The coalitions of the two main contenders may differ in form. Yeltsin will probably reach agreement with politicians, but their electorate will reserve the right to vote or not to vote as they think fit. Zyuganov is unlikely to succeed in establishing a dialogue with all the also-rans, but he may expect to count on a certain portion of their electorate (first of all, the sympathizers of Zhirinovskiy and that same Lebed).

Much will once again depend on campaigning and the activity of the voters. Therefore, the risk is great. Yet another heightening of the war of nerves cannot be ruled out either. Yeltsin's meeting with Zyuganov, as Sergey Filatov noted, is out of the question. Yeltsin's headquarters is not losing its optimism, however: According to analyst Vyacheslav Nikonov, with a turnover of about 70 percent "Gennadiy Zyuganov will have no chances of victory at all": Unlike Yeltsin, who still has a reserve of untapped votes, the CPRF leader's reserve "is fully exhausted." But this is true only for so high a turnout...

Russia: Russians in Moldova Favor Lebed; Only 10% for Yeltsin

MM1906090096 Moscow PRAVDA in Russian 19 Jun 96 p 1

[Report by correspondent Arkadiy Pasechnik: "Sympathies With the Patriots"]

[FBIS Translated Text] Chisinau — Only 10.77 percent of Russian citizens who went to the polling places in Moldova on 16 June voted for the incumbent Russian Federation President B. Yeltsin. A total of more than 18,000 people took part in the vote, the majority of them inhabitants of the Dniester region and members of the Russian military contingent stationed there. This latter factor was doubtless reflected in the fact that 44.8 percent of the voters voted for Aleksandr Lebed. There were 35.9 percent for Gennadiy Zyuganov.

Despite the peculiarities of these figures, what is on everyone's lips, of course, is the main, Russia-wide results of the voting. This is how Vladimir Voronin, leader of the Moldovan communists, commented on the hot news:

"This is an undoubted success for the CPRF [Communist Party of the Russian Federation] and the entire bloc of people's patriotic forces. I hope they will be supported by Russian voters in the second round too."

The topic of the Russian presidential elections was raised 17 June at the regular official meeting of the top leadership of Moldova and the Dniester region. Usually the sides are opposed to each other at these meetings. But in this case, when journalists asked for their comments on the results of the first round of voting in Russia, Moldovan parliament speaker Petru Lucinski and his Dniester colleague Grigoriy Marakutsa unanimously expressed the view that, first, predictions about the distribution of votes were justified, and, second, Yeltsin, in their opinion, will win the second round.

Russia: Chechen Electoral Commission Says Yeltsin Wins Election

LD1806161596 Moscow INTERFAX in English 1442 GMT 18 Jun 96

[FBIS Transcribed Text] GROZNYY, June 18 (Interfax) — Russian President Boris Yeltsin won 64.1 percent of the vote in Chechnya, the local electoral commission told INTERFAX Tuesday [18 June].

Yeltsin is followed by Communist Party leader Gennadiy Zyuganov with 16.1 percent of the vote, Yabloko party leader Grigoriy Yavlinskiy with 4.2 percent, retired General Aleksandr Lebed with 2.5 percent, ex-Soviet President Mikhail Gorbachev with 1.7 percent, Liberal Democratic Party leader Vladimir Zhirinovskiy with 1.4 percent, eye surgeon Svyatoslav Fyodorov with 1.0 percent, ex-weight-lifter Yuriy Vlasov with 0.4 percent, businessman Martin Shakkum with 0.3 percent and businessman Vladimir Bryntsalov with 0.2 percent.

A total of 374,016 people, or 73.7 percent of the eligible electorate, took part in the voting, the commission said.

A total of 8,190 people voted against all the contenders.

Russia: Presidential Voting Results in Kyrgyzstan Reported

MK1906050996 Moscow NEZAVISIMAYA GAZETA in Russian 18 Jun 96 p 3

[Unattributed report]

[FBIS Translated Text] Taking part in the voting in Kyrgyzstan to elect the Russian Federation president were 2,323 Russian citizens. Seven hundred ninety-one of them (34.2 percent) voted for Boris Yeltsin; 575 (24.8 percent), for Aleksandr Lebed; 546 (23.5 percent), for Gennadiy Zyuganov; 8.1 percent, for Vladimir Zhirinovskiy; and 5.6 percent, for Grigoriy Yavlinskiy.

Present during the voting in the capacity of observers were members of the Communist Party of Kyrgyzstan.

Russia: Yeltsin Tops Zyuganov Among Russians Voting in Tajikistan

MK1906050896 Moscow NEZAVISIMAYA GAZETA in Russian 18 Jun 96 p 3

[Unattributed report]

[FBIS Translated Text] Yesterday, Gennadiy Sizov, chairman of the Central Electoral Commission for the election of Russian Federation president based in Tajikistan and deputy Russian Federation ambassador to the republic, made public the preliminary results of the Russian Federation presidential elections. According to him, taking part in the elections were nearly 10,000 voters from among the Russian border troops servicemen and members of the collective peacekeeping forces, as well as Tajikistan inhabitants with Russian citizenship. The voters gave preference to Boris Yeltsin. According to preliminary figures, 37.3 percent voted for him. The leader of the Russian Communists, Gennadiy Zyuganov, placed second with 22.3 votes won. LDPR [Liberal Democratic Party of Russia] leader Vladimir Zhirinovskiy won 15.75 percent; and General Aleksandr Lebed, 15.55 percent.

Zafar Saidov, press secretary to the Tajikistan president, declined comment on the Russian Federation presidential election results. According to nonofficial information, a large portion of Tajik military people voiced approval for the preliminary victory for democracy. At the same time, some members of the top- and medium-level command personnel of Tajikistan's armed forces would prefer to see Communist leader Gennadiy Zvuganov as president of Russia, which in their view would make it possible to conduct a tougher line toward the Tajik opposition.

Russia: 'Routine' Voting Irregularities by Communists Alleged

MK1806113996 Moscow KURANTY in Russian 18 Jun 96 p 3

[Report by Aleksandr Povorin: "Communists — Main Offenders Against the Law"]

[FBIS Translated Text] According to a Central Electoral Commission [TsIK] report, no serious violations of the law have been found in the course of the presidential elections. The TsIK's statement, however, does not yet signify that there were no irregularities at all. There were — albeit not big and not too shocking. They merit separate discussion.

Most of the irregularities were routine. For example, as during the parliamentary elections last year, some citizens who were concerned over the building of a "radiant future" were trying to use other people's [internal] passports to fulfill not only their own civic duty, but that of other people as well. At polling stations number 51 and number 16 in Petropavlovsk-Kamchatskiy, ballot papers were issued to relations of citizens who did not turn up at the polling stations; also, the filling out of ballot papers by CPRF [Communist Party of the Russian Federation] observers was permitted. Considering that the majority of the members of the election commissions there were Communists, there is no reason to be surprised.

The local medical assistant in the village of Izosimovo in Tambov Oblast collected the passports of his elderly fellow villagers 10 days before the elections, promising them he would vote "as needed." Considering the medic's party affiliation (he is a CPRF member), there is no doubt about what he had in mind.

The other typical irregularity is agitation at a polling station. For example, Yevgeniy Shabrynskiy, a CPRF observer, was talking the voters into voting for the Communist leader instead of watching the observance of the law at polling station number 7 in the settlement of Palana in the Koryak Autonomous Okrug. This is not the only case.

Direct agitation for Zyuganov on election day was conducted in virtually all regions of the country. On 16 June in some places the voters found leaflets in their mailboxes with a call to vote for the Communists. And in other places there were other materials. In Novosibirsk agitation calls were heard that quoted material directly from SOVETSKAYA ROSSIYA that was insulting to Boris Yeltsin.

A disturbing report came in from the Black Earth region. A ballot paper marked in Zyuganov's favor, sealed and signed by electoral commission members, was seized in a voting booth at polling station number 1484 in Voronezh. That would have been all right had not this "sneaky [levyy]" ballot paper been made on a Xerox machine.

There are still not any figures with regard to violations of the Law on Presidential Elections. They will apparently appear in the near future, by which time we will have a more complete idea both of the nature of the irregularities and their number. But at this point it is already possible to say in full confidence that the main violators of the law were the Communist observers. The CPRF's tactic was remarkable in this regard. It sent 200,000 observers to 92,000 polling stations, with Communist observers present practically at every station. Naturally, given such a number of "controllers" of a single party, it is quite right to speak of pressure rather than independent public observation. The Communists accounted for their numerous presence at all polling stations by citing possible falsification on the part of the authorities. Under the circumstances, however, the Communists themselves managed to stay outside all control in many cases. It was practically impossible to keep tabs on such a number of Communist observers. It is possible that a certain percentage of the votes received by Gennadiy Zyuganov can be partially explained by this. The Communists showed that they not only vote in an organized manner, but also can "observe as needed." As needed by them....

Russia: Gaydar, Olshanskiy Comment on Election Results

MM1906093596 Moscow TRUD in Russian 19 Jun 96 p 1

["Opinions" feature comprising statements by Yegor Gaydar, chairman of Russia's Democratic Choice party, and Dmitriy Olshanskiy, director of the Center for Strategic Analysis and Forecasts; place and date of statements not given]

[FBIS Translated Text]

Yegor Gaydar, Chairman of Russia's Democratic Choice Party: There Must Be No Illusions

Boris Yeltsin has proved that he knows how to conduct election campaigns and win them. The second election round will mark the beginning of a proper race, which will really determine the country's future. There are still realistic prospects of victory by Gennadiy Zyuganov. What factors could contribute to this? Good weather on polling day, something that might actively distract the voters, and a sense of confidence in the president's camp that victory is theirs. There must be no illusions. Nothing has been decided yet.

As regards Aleksandr Lebed's success, I expected him to come in third — he was gaining support in the last few days before the election. It was clear that he would attract the more intelligent section of Zhirinovskiy's electorate and that he would take votes away from both Yeltsin and the Communists. It comes as no surprise that he has openly taken Yeltsin's side.

Dmitriy Olshanskiy, Director of the Center for Strategic Analysis and Forecasts: Second Round Questions

Society is obviously split, and there is no clarity as regards prospects. Yeltsin is today's man in Russia, even though there are questions regarding the second round. Who will it be tomorrow? It is already clear that it will not be Yavlinskiy, and not even Zhirinovskiy. Lebed's predicted takeoff is only just beginning. This general can help Yeltsin today. But how will he behave in the future?

Coming to the "small" candidates, the "1-percenters." For some of them (Gorbachev) this is a failure. For others (Bryntsalov) it is a lesson in how not to engage in politics. For yet others, like Shakkum, it is a sign of possible chance in the future. We remember: After last December and the Duma election failure of the Congress of Russian Communities, one of whose leaders was Lebed, the quantity of advertising material at the time was still translated into the quality of his latest success. Ultimately, Russia will continue to seek new leaders. Those who gained "less than 1 percent" will soon be forgotten. The main point is that the "small ones" did contest the election, they do have their "sympathizers," and they have played a part in big-time politics.

Russia: Voting in Armed Forces Reported; Irregularities Cited

MK1806123196 Moscow MOSKOVSKIYE NOVOSTI in Russian
No. 24, 16-23 Jun 96 (signed to press 17 Jun 1996) p 1

[Report by Denis Baranets: "To the Polling Station, Forward March"]

[FBIS Translated Text] Aleksandr Lebed has won the majority (47 percent) of the military votes according to the results of voting at closed polling stations in the Russian Army, it has been announced at the Russian Federation Defense Ministry. President Yeltsin received 29 percent; Zhirinovskiy, 14 percent; Zyuganov, as little as 8 percent.

The airborne troops almost unanimously voted for Lebed, an airborne troops general, whereas the picture is rather different in other military formations and districts. Boris Yeltsin placed first in the Russian Federation Armed Forces United Group in Chechnya. Military analysts attribute this to the recent presidential edict "On Demobilization of Members of the Military in Compulsory Term of Service," which won ordinary soldiers' sympathies for the incumbent president, whereas General Lebed won most of the officers' votes. For the first time in the entire history of voting in the army, many servicemen went to open polling stations, that is to say, conscripts had the right to vote outside their barracks, to cast their ballots together with civilians. I have come to learn at the Defense Ministry commission for organizational and technical support of the election process that "there were several instances of violation of the election legislation" in the army in the course of voting. Among them are the making public of voting results before the official deadline (this was recorded in the 201st Division in Tajikistan) and a "correction" of voting results (Admiral Viktor Kravchenko, Black Sea Fleet commander, locked himself in his office alone with the voting results and let in Central Electoral Commission representatives only two hours later).

Independent military experts note that "election agitation conducted in the army with further unilateral 'pressure' was not even concealed in some units."

CIS: ITAR-TASS Carries Press Review for 19 Jun

LD1906065996 Moscow ITAR-TASS in English 0540 GMT 19 Jun 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW June 19 (ITAR-TASS) — Follows a review of Wednesday's Moscow-based Russian newspapers dated June 19. The Russian press comments on the results of the June 16 presidential elections. Newspapers are unanimous that the first round of presidential elections has not settled the problem of "choice".

ROSSIYSKIYE VESTI carries an interview with prominent economist Mikhail Delyagin under the headline "Choosing between (Boris) Yeltsin and (Gennadiy) Zyuganov is choosing between stability and disaster".

Examining Yeltsin's and Zyuganov's economic programmes, Delyagin concludes as follows: "The main difference in the two programmes is their orientation: while the former wants to continue headway towards steady economic growth and a rise in people's wellbeing by relying on what has been achieved, the latter orients himself towards the 'bright past' and a continuation of the policy which has already once brought our country to national disaster".

IZVESTIYA about the electorate who voted "neither for Yeltsin nor for Zyuganov".

The newspaper's political news analyst Otto Latsis believes that the country's choice to a considerable extent depends on this proportion of voters who accounted for "35 percent" of the electorate.

Meanwhile, the newspaper's correspondent Anatoliy Stepovoy writes that there are no funds for the second round of voting. Out of 1,880,000 million roubles provided for this purpose in the Federal budget, the Ministry of Finance has assigned only 693,000 million roubles to the Central Electoral Commission. For lack of funds, electoral commissions will not be able to ensure the printing of ballot-papers or pay for transport and communications services.

KOMSOMOLSKAYA PRAVDA on Yeltsin's personnel reshuffle decisions.

The newspaper is of the opinion that Yeltsin's personnel reshuffle decisions have become the most "sensational" outcome of the first round of presidential elections.

"In hunting for the votes cast by the Aleksandr Lebed constituents, Yeltsin has outperformed his second-round rival. The President apparently made up his mind to take this step not for great love for yesterday's competitor but because Yeltsin's victory in the first round was a rather hard-won and therefore an alliance with Lebed is seen as a way to gain new votes. But will he get them?" the newspaper asks.

PRAVDA comments on the results of the first round of elections on the strength of foreign media reports.

The newspaper writes, in particular, that analysts in the West are convinced that if a considerable proportion of patriotic forces joins, at last, the bloc headed by the Communists, it would be difficult for Yeltsin to resist it.

Yeltsin's entourage "greatly fear the run-off election" and are preparing a new anti-constitutional campaign, including that directed personally against Zyuganov.

As the Dutch newspaper De Telegraaf writes, "America dreads Zyuganov's win. Quite a real chance of Zyuganov's victory makes the White House spend sleepless nights".

TRUD points out that the most important result of the first round of elections is that "the reformist aspirations of Russian society have become evident enough, notwithstanding all the complexities."

The newspaper believes that "two-thirds of the people who went to the polls still visualise the future in a continuation of consistent reforms, adjusted ones and rid of errors."

ARGUMENTY I FAKTY notes one peculiarity of the past elections. It points out that "the ups and downs of life nearly played a mean trick on Yeltsin. The Russian soccer team was defeated by the Germans at a European Championship match. After the match, the majority of Russian fans (of whom there are tens of millions) were in such a bad mood that they did not go to the polls. This could be foreseen but election organisers turned out to be not shrewd enough to request UEFA to postpone the match for one day".

RABOCHAYA TRIBUNA on a clue to Tunguska meteorite mystery.

The newspaper reports that Aleksandr Nevskiy, Candidate of Science (Physics and Mathematics), has succeeded, it seems, in unravelling the mystery of the Tunguska meteorite which fell on Earth in 1908.

The scientist maintains that "the transformation of the energy of a moving space body, such as the Tunguska meteorite, into that of an electric discharge may happen in the form of a very powerful explosion. The phenomenon looks like a brief flash of huge kilometres-high super-bright pillar of light and the formation of a powerful gas-and-dust cloud, which was pointed out by the eyewitnesses of the meteorite fall."

CIS: Nagorno-Karabakh Crisis Talks Continue in Moscow

LD1806150896 Moscow ITAR-TASS in English 1447 GMT 18 Jun 96

[By Valeriy Agarkov]

[FBIS Transcribed Text] MOSCOW, June 18 (ITAR-TASS) — Talks between the delegations of Azerbaijan, Armenia and Nagorno-Karabakh continue in Moscow.

The draft agreement on terminating the armed conflict, as well as key problems of the comprehensive settlement are being discussed at the talks presided over by representatives of Russia and Finland, Russian Foreign Ministry spokesman Grigoriy Karasin told a briefing on Tuesday. Azerbaijan's delegation is led by Deputy Foreign Minister Tofik Zulfugarov, Armenian delegation by Deputy Foreign Minister Vardan Oskanyan, the delegation of Nagorno-Karabakh by Arkady Gukasyan.

Peace settlement of the Nagorno-Karabakh conflict will be discussed on June 20 by OSCE [Organization for Security and Cooperation in Europe] trio in which representatives of Russian Federation and Finland will participate at the invitation of Flavio Cotti, acting cochairman of OSCE Minsk process.

Baltics: Baltic, Russian Representatives Meet To Delimit Borders

LD1806140096 Riga Radio Riga Network in Latvian 1100 GMT 18 Jun 96

[FBIS Translated Text] Representatives of Latvia, Russia, and Estonia are meeting in Aluksne today to discuss where the convergence point of the borders between the three countries should be situated.

On the Latvian side, Markalne and Pededze rural districts are the closest ones to the possible convergence point. The borders of all three countries are meeting at the convergence point.

The economic border is the only border currently existing between Latvia and Russia; and there is no legally delimited border between the two countries. The border has not been delimited between Estonia and Russia either.

Russia: Lebed To Oppose NATO's Eastward Expansion

LD1806160796 Moscow INTERFAX in English 1549 GMT 18 Jun 96

[FBIS Transcribed Text] MOSCOW, June 18 (Interfax) — General Aleksandr Lebed, the new secretary of the Russian Security Council and presidential adviser on national security, has expressed the intention firmly to counteract plans for NATO expansion eastward.

"Russia is not fighting with anybody. It has enough land so that it will not (aspire to) redraw the map of the world," Lebed told a news conference in Moscow on Tuesday.

Lebed said he would "notify" those seeking eastward expansion of NATO of the corresponding expenses. The creation of a corresponding infrastructure in East Europe will "cost NATO $250 billion," Lebed said.

Russia: Lebed: Georgian Defense Minister Took Part in Coup Attempt

LD1806163696 Moscow INTERFAX in English 1621 GMT 18 Jun 96

[FBIS Transcribed Text] MOSCOW, June 18 (Interfax) — Retired General Aleksandr Lebed, appointed Tuesday as Russian Security Council secretary and presidential aide for national security, told the NTV independent television channel that he had prevented a coup attempt this morning.

Some senior officers close to former Russian Defense Minister Pavel Grachev, who was sacked by President Boris Yeltsin Tuesday afternoon, attempted to put individual army units on alert, Lebed said. Georgian Defense Minister Vardiko Nadibaidze also took part in the coup attempt, he said.

Lebed drew a link between the coup attempt and Grachev's reluctance to resign.

Lebed said he had arrived at the Moscow district headquarters this morning and "managed to block all the orders Grachev or his closest aides could issue." He said he also sent a telegram to all units, saying Grachev had been sacked and ordering them to keep calm. "I met many worthy people in the headquarters," he underlined.

Lebed said his duty as Security Council secretary was to prevent "any conflicts which could be dangerous for the state."

Russia: Yeltsin Aide: Baltics Have 'No Chance' of Joining NATO

WS1906091796 Tallinn BNS in English 1900 GMT 18 Jun 96

[FBIS Transcribed Text] Moscow, Jun 18, BNS — The Baltic states have no chance of joining the North Atlantic Treaty Organization, Sergey Karaganov, a foreign policy adviser to Russian President Boris Yeltsin, maintains.

"If NATO should expand regardless of Russia's protests, it is natural that the relations between Russia and the Baltic states would become more complicated," Karaganov told BNS.

In his words, the Baltics will benefit, not from a confrontation of blocs in Europe, but from a close cooperation between Russia and the Atlantic alliance.

Karaganov declared that the Baltic states had no chance of making it to NATO membership. "But, to remain between the anvil and the hammer is the most unpleasant thing that could happen to a small state," the principal author of Russia's foreign policy doctrine emphasized.

Communist Gennadiy Zyuganov, the runner-up in Russia's presidential elections on Sunday, has also stated his opposition to NATO enlargement.

Only Alexander Lebed, who surprisingly garnered the third biggest number of votes, said ahead of the elections he was not against the expansion of the Western military alliance if it had enough money for this.

Russia: Yeltsin Will Not Attend Summit in Lyon

LD1906105696 Moscow INTERFAX in English 1046 GMT 19 Jun 96

[FBIS Transcribed Text] MOSCOW, June 19 (Interfax) — Russian President Boris Yeltsin will not attend the G-8 summit in Lyon, France.

"I asked for advice, thought it over and decided to abstain from the trip because Russia will hold the second round of presidential elections five days later," Yeltsin told correspondents Wednesday.

Yeltsin said he is quite satisfied with the summit formula but he has to abstain from the trip. He informed President of France Jacques Chirac of his decision a few minutes before the meeting with correspondents. The same was said to U.S. President Bill Clinton over the telephone.

"They understood my reasons," said Yeltsin. Russia will be represented at the summit by Prime Minister Viktor Chernomyrdin, he said.

Russia: Chernomyrdin Cited on Cooperation With Belarus

WS1906092796 Minsk Radio Minsk Network in Belarusian 0700 GMT 19 Jun 96

[FBIS Translated Text] The program for urgent measures for implementing the treaty between Russia and Belarus on deepening integration is being carried out, except for a number of specific issues, said Russian Prime Minister Viktor Chernomyrdin, opening the third meeting of the Russian-Belarusian Community Executive Committee. At the same time, the prime minister emphasized, we should continue to pay more attention to the economic basis of our cooperation. Viktor Chernomyrdin attached particular importance to social issues. This primarily refers to a draft agreement on free exchange of housing among the two countries' citizens and joint work aimed at overcoming the aftermath of the accident at the Chernobyl nuclear power plant.

Russia: Amb. Pickering Meets Defense Industry Minister

MK1806133496 Moscow NEZAVISIMAYA GAZETA in Russian 18 Jun 96 p 2

[O.I.-signed report: "On U.S. Ambassador's Request"]

[FBIS Translated Text] Russian Federation Defense Industry Minister Zinoviy Pak received U.S. Ambassador to Russia Thomas Pickering at the latter's request. In the course of a discussion, the Ministry of Defense Industry head briefed the American diplomat on the course of restructuring in the defense industry and on measures the president and the Government are taking to stabilize the socioeconomic situation at enterprises of the Russian military-industrial complex. The role of the defense complex in reforming the Russian economy was underscored. Discussed during the meeting were some prospects of Russian-American cooperation in the area of defense conversion, taking account of a meeting of the Chernomyrdin-Gore Commission scheduled for July 1996. A business seminar of Russian and American experts, representatives of industrial, business, and financial circles will take place in the United States late in July. It will look at proposals concerning new joint projects, which would then be submitted to the judgement of this commission.

Russia: U.S.-Russia Discuss Exchange of Nuclear Security Data

LD1906095296 Moscow ITAR-TASS in English 0920 GMT 19 Jun 96

[By Dmitriy Antonov]

[FBIS Transcribed Text] WASHINGTON, June 19 (Itar-Tass) — The possibility of giving Russia more information about nuclear security is being discussed by Russian and U.S. officials, according to a U.S. administration spokesman who asked not to be named.

According to the spokesman, information in question is not confidential in character and will be extended to Russia only after the projected Comprehensive Test Ban Treaty is signed and takes effect.

The U.S. official stressed that no similar talks are being conducted with China. He also confirmed the report published by the Washington Post on Monday that the United States and France had signed a secret deal on exchange of information relating to nuclear arms.

Russia: Latest U.S. Moves Against 'Russian Mafia' Described

MM1906100696 Moscow ROSSIYSKIYE VESTI in Russian 15 Jun 96 p 10

[Report by Ilya Baranikas: "U.S.-Style 'Doctors' Plot' With a Russian Accent"]

[FBIS Translated Text] New York — Ex-Soviet organized crime on U.S. territory has again become a topical subject. The latest (and by no means the first) "doctors' plot" has now surfaced: A group of doctors of Soviet origin is accused of siphoning money out of medical insurance funds for the treatment of mythical injuries allegedly sustained as result of automobile accidents. The authorities have confiscated two as-yet-vacant plots of land belonging to Russian banker Yuriy Fadeyev, who is alleged to have connections with organized crime, located in the prestigious Los Angeles district of Hollywood Hills. While New York's Brooklyn District Federal Court has begun hearing the case against New York's "Russian mafia" boss Vyacheslav Ivankov, known as "the Jap," and his partners-in-crime — Valeriy Novak, Sergey Ilgner, and Vladimir Topko — who are accused of extortion.

These are just a few of the facts which indicate that the U.S. authorities are seriously engaged in combating the "Russian mafia." Special hearings devoted to the problem of "Russian organized crime" have been held in the U.S. Senate. Russian Deputy Internal Affairs Minister Igor Kozhevnikov is one of those who appeared before it, speaking about the work carried out by the Russian

Internal Affairs Ministry in the area of fighting organized crime.

The spectrum of criminal acts carried out by "our guys" in America is extremely wide, including insurance fraud, illegal import-export operations, and a great deal else. The start of this year, for example, saw the deportation from the United States to Russia of Sergey Garkusha, who was detained at Seattle airport with goods totaling $50,000. The goods were paid for with rubber checks. These kinds of crime are intended to dupe naive, unprepared Americans: Who actually could anticipate that after you have paid by bank check and the store owner has checked that there are sufficient funds to cover it, you will close the bank account within the hour and vanish without trace?

Mafia showdowns also occur in the United States, but it is a long time since there was anything like the case of "the Jap" and company: It is possible that the swindlers' victims are even worse swindlers. The victims — Aleksandr Volkov and Vladimir Voloshin — managed the Summit International investment corporation, which, by all accounts, had appropriated $2.7 million from the bankrupt Russian bank Chara. Rustam Sadykov, head of Chara's international department, who came to the States in a bid to obtain this money, asked crime boss Vyacheslav Ivankov, through third parties, "to shake down the dough". "The Jap" (clearly with his own reward in mind and on the pretext of a "penalty" for an overdue debt) upped the ante: He wanted to obtain $3.5 million from Volkov and Voloshin. But Volkov turned to the FBI for help, and the guardians of law and order took the victims of the racket under their protection (although the investigation of them still lies ahead). As a result "the Jap" ended up behind bars — in detention pending trial. He is now answering to a court. While Chara's Moscow envoy Rustam Sadykov considered it better to leave for his place of permanent residence.

Russia: Russia 'Will Not Allow Iran To Become Nuclear State'

MM1806103996 London AL-SHARQ AL-AWSAT in Arabic 18 Jun 96 p 1, 4

[Report by Huda al-Husayni: "Russian Foreign Ministry Official Tells AL-SHARQ AL-AWSAT; We Will Not Allow Iran To Become Nuclear State"]

[FBIS Translated Text] Moscow — Moscow is determined to build bridges of cooperation and friendship with Tehran. However, according to a senior Russian Foreign Ministry official, it will not allow Iran to become a nuclear state "because that would threaten our national interests." In an interview with AL-SHARQ AL-AWSAT the Russian official urged Arab Gulf states not despair over the rectification of relations with Iran. "There are people in the Gulf states who think like us with regard to the need for dialogue and the need to find points of communication, instead of focusing on the points of disagreement."

Andrey Vdovin, director of the Middle East and North Africa Department at the Russian Foreign Ministry, revealed in his interview with AL-SHARQ AL-AWSAT (to be published tomorrow) a fundamental disagreement between Moscow and Washington. The United States is blaming Russia for its support for Iranian nuclear efforts, to the point that Washington had to exert some pressure on Moscow to persuade it to refrain from supplying Tehran with weapons, especially submarines, and equipment for nuclear reactors. Washington even went beyond that to legislate a boycott on companies dealing with Iran. This is in addition to its efforts as regards the implementation of the dual containment policy against Tehran and Baghdad.

Vdovin rejects the dual containment concept, saying that Russia is not alone in rejecting the U.S. view. "The European states do not agree with the U.S. view."

Al-SHARQ AL-AWSAT interviewed Vdovin on the periphery of the Russian elections, despite Russian officials' preoccupation with the elections. Asked about Moscow's position on the Iranian role in the Middle East, Tehran's open opposition to the peace process, and its pledge to obstruct the peace process, Vdovin said: "We rely on dialogue, dialogue with officials in Iran. By the way, this is what we are doing now. Viktor Posuvalyuk, President (Boris) Yeltsin's special envoy, visited Tehran a few days ago and discussed this issue. Because we believe that it is very important not to reinforce the convulsive trend toward the peace process and other topics in Iran. On the contrary, we believe that we should talk, explain the situation, and encourage Iran to tackle matters positively. We are not in despair in this connection."

Asked, "what will you do to prove to Iran that you are against interference (in the Gulf states' internal affairs)?", the Russian Foreign Ministry official said: We are trying and making efforts so that relations between Iran and the Gulf states will become good. Of course, there are numerous disputes and the legacy of the past. These can be tackled through what we might term a radical mentality or the mentality of looking for enemies. They can also be tackled through another mentality, namely the mentality of looking for points of communication. We are in the process of applying the latter. We are making efforts in this connection, since we have good relations with Iran, as I said. I believe that the Gulf states should not despair over the rectification of relations with Iran. Besides, there are people in the Gulf states who think like us as regards the need for dialogue and the need to find points of communication, instead of focusing on the points of disagreement. There is also a military — let us say foreign — presence, a factor which might not necessarily have a positive effect.

There are also the dual containment policies, and we can say that Russia is not alone in its disapproval of these policies. European states too do not agree to the U.S. view in this connection.

Russia: Moscow Favors Renewal of Efforts for Middle East Settlement

LD1806151996 Moscow INTERFAX in English 1446 GMT 18 Jun 96

[FBIS Transcribed Text] MOSCOW, June 18 (Interfax) — Russia, as a co-sponsor of the peace process in the Middle East, favors a renewal of active work in all areas relating to the Israeli-Arab settlement as soon as a new Israeli government is formed, Russian Foreign Ministry spokesman Grigoriy Karasin told a briefing in Moscow on Tuesday [18 June].

Viktor Posuvalyuk, the Russian president's special envoy for the settlement in the Middle East, explained Russia's stand during his trip to Iran, Iraq, Jordan and Syria on June 6-14.

Russia primarily favors respect for the agreements concluded during consultations, Karasin said.

Russia deems it necessary to give an additional impetus to the peace process in the Middle East, he said, adding that this Russian proposal was welcomed in Amman and Damascus.

Posuvalyuk and Iraqi Deputy Prime Minister Tariq Aziz met to consider prospects for the removal of the oil embargo against Iraq and the implementation by Baghdad of the U.N. Security Council's demands regarding Iraq's disarmament. "The Russian side emphasized the need to develop constructive interaction between Baghdad and the U.N. special commission led by Rolf Ekeus without losing steam," the spokesman said.

He voiced the hope that existing problems would be settled during Ekeus' visit to Baghdad.

Posuvalyuk and Russian Deputy Minister for Foreign Economic Relations Vladimir Karasin met with the heads of the Iraqi leading economic departments, the spokesman said, adding that they confirmed reciprocal interest in the renewal of large-scale economic cooperation between Russia and Iraq during the post-sanction period. In particular, Russian companies should be called to implement resolution 986 of the U.N. security Council on Iraqi oil trade in exchange for humanitarian supplies, the spokesman said.

Russia: Karasin: Croat Government in Bosnia Violates Dayton Accords

LD1806142196 Moscow INTERFAX in English 1348 GMT 18 Jun 96

[FBIS Transcribed Text] MOSCOW, June 18 (Interfax) — The creation of a Croat government in Bosnia is a flagrant violation of the Dayton accords, Russian Foreign Ministry spokesman Grigoriy Karasin said in response to an Interfax question at a briefing in the Kremlin Friday.

Russia is holding intensive consultations on this issue with other members of the contact group which also includes the United States, Britain, France and Germany, he said, with a view to working out a joint position on this score.

The Dayton accords call for the setting up of just two statehoods in Bosnia, a Muslim-Croat Federation and Republika Srpska. Analysts say that the formation of a Bosnian Croat state may destroy the federation and result in unpredictable consequences.

Karasin welcomed the decision taken by the Council on Implementation of the Bosnian Peace Accord in Florence on June 13-14 which calls on the Organization for Security and Cooperation in Europe's acting chairman to schedule the Bosnian elections for September 14. If the elections go ahead as planned, all sanctions against the Serbs will be lifted, he said.

Karasin said that Russia will send a team of experts to Bosnia to analyze the possibilities of economic cooperation. Numerous Bosnian factories were built with Soviet aid, he said.

Russia: Belarusian, Russian Civil Defenses To Hold Joint Exercise

WS1906081696 Minsk BELAPAN in English 0707 GMT 19 Jun 96

[FBIS Transcribed Text] Minsk, 18 June — A joint exercise of Belarusian and Russian civil defence operation groups will take place in the Mahilyow region on June 24. According to information received, its participants will train for operations aimed at the protection of population from consequences of nuclear catastrophes. The training will take place in the 100-kilometre zone of the Smolensk nuclear power station.

Russia: 'No Progress' at Moscow Talks on Nagorno-Karabakh

LD1906085396 Moscow INTERFAX in English 0752 GMT 19 Jun 96

[FBIS Transcribed Text] MOSCOW, June 19 (Interfax) — The parties at the negotiations on Nagorno-Karabakh have not altered their stands and no progress has been made, a source close to the talks told Interfax in comment on the first part of a regular round of talks which finished in Moscow on June 18.

The talks, mediated by the Organization for Security and Cooperation in Europe, are expected to continue on July 1 in Stockholm.

The parties discussed drafts of supplements to the settlement agreement for four days, said the source. The first supplement dwells on military-technical aspects of the settlement, while the second focuses on the liberation of seized territories and their demilitarization. They also considered some key aspects of the settlement, including the Lachin corridor and the security of Nagorno-Karabakh.

The sides did not change their opinion on free access from Nagorno-Karabakh to Armenia and vice versa.

The Karabakh side insists on ownership of the Lachin corridor, which connects Nagorno-Karabakh and Armenia via Azerbaijan, by Nagorno-Karabakh on leasing conditions or in exchange for a part of Karabakh territory.

The Azerbaijani side demands formal control over the Lachin corridor and international control over the transportation of cargo between Armenia and Nagorno-Karabakh at the initial stage.

"No agreement has been reached," said the source.

Political Issues

Russia: Lebed Interviewed on Elections, Grachev

LD1806172396 Moscow NTV in Russian
1537 GMT 18 Jun 96

[Studio interview with General Aleksandr Lebed by Pavel Lobkov at the NTV studios in Moscow; from the "Hero of the Day" program — live]

[FBIS Translated Text] [Lobkov] Good evening, "Hero of the Day" program is on the air. My name is Pavel Lobkov. Our program does not always live-up to its name, but today the task seems to have been overfulfilled — 90 percent of today's news is linked with the name of Aleksandr Lebed. Today President Yeltsin appointed Aleksandr Lebed to the post of secretary of the Security Council and to the post of national security adviser to the president — among the top posts in the state. One can say that today's appointments are among the most important appointments to have been made recently. Aleksandr Lebed is in our studio today. Good evening, Aleksandr Ivanovich, congratulations on the appointments and on the fact that your political career practically began exactly a year ago. Did you expect such succeess a year hence? It is truly a fantastic success, one day you are a retired general, the next secretary of the Security Council.

[Lebed] I know how to work.

[Lobkov] What about your new powers? I know that today you began your day by talking about plans to have the Security Council reorganized. Are we talking about major reshuffles?

[Lebed] I do not know to what extent you can call them major, but they will be serious. The Security Council will become an effective body to ensure that security in the state is observed. Security — this means there should be no dangers for most loyal citizens. We must live a beautiful and happy life and security should be there to make people feel protected and shielded, defended, harbored, sheltered, and cared for.

[Lobkov] Are there any more specific plans, do you have more detailed plans?

[Lebed] I do, but I would not like to make them public today. They have to be presented and endorsed and when they enter the stage of practical implementation, then we can talk. For now, I am happy to be your guest again.

[Lobkov] We can say that today you entered into your final alliance with Boris Yeltsin and that you will now stay in this alliance.

[Lebed] It is not a matter of an alliance, it is not a matter of an alliance. The country now is not selecting a specific individual, nor a name, but an idea, a course, an ideology, its own path. We have an old idea, which is now obsolete and has run its course, it has been paid for by colossal bloodshed, grief, and suffering.

There is a new idea, too, but it is being very badly implemented now, this is a fact, but it is a new idea and the future belongs to it.

The worst thing is that this free-for-all for bandits in our country, engendered through the connivance of numerous officials, is indeed being perceived by everyone as our new way of life.

[Lobkov] It is no secret that today you accepted the Russian president's proposal that you, as it were, go back to the voters and ask them to vote for him in the second round. But on the other hand, will all the voters accept this? Will they all believe that within the presidential staff, the presidential administration, you will be able to meet the promises you gave them as a presidential candidate?

[Lebed] They did not vote so much for me as for the ideas I advocated. Nearly 11 million people. There is only one thing left to do: to live up to those expectations. I am an officer, and I have a duty to keep the word I have given. So I — I am sick of people who just talk. I intend to get on with things.

[Lobkov] You have already told us about one thing today — a truly sensational one, because if people sometimes whip up passions in society by talking about a coup attempt, a coup attempt between two rounds [of an election] is an unprecedented event. Could you give details? How did you become aware that what you have called the State Committee for the State of Emergency [SCSE] No. 3 was being prepared? How did you fight against it, and what people were involved?

[Lebed] I certainly can, but I would not want the fuss that has arisen around the minister of defense, particularly this morning, to have anything to do with my own fuss. This is not swatting flies off meat patties [as heard].

The facts are as follows. Between nine and 10 this morning Generals Barynkin [chief of Main Directorate of Operations], Shulikov, Tsvetnov, Kharchenko [chief of the Legal and Treaty Direcotrate], and Lapshov; Elena Agapova, the minister of defense's press secretary; and particularly, touchingly, the Georgian Minister of Defense Vardiko Nadibaidze were in the restroom of the minister of defense's office trying to persuade the minister of defense to put the troops on alert in order to put pressure on the president.

[Lobkov] What sort of alert? A march on the Kremlin, or what was it supposed to be? How was...

[several words indistinct as both talk at once]

[Lebed, interrupting] I do not know what was planned. I do not know any particularly heartrending details. I just took measures myself.

[Lobkov] What measures?

[Lebed] The measures were, are, and will be preventative, to prevent all possible conflicts or wars, or if there are any going on now, their swift and sure suppression. [words indistinct] I gave the order to the duty general of the central command post of the General Staff and forbade him from passing on any orders from the minister of defense to the troops. I went to the headquarters of the Moscow Military District and met some very decent people there. A telegram was sent from the headquarters of the Moscow Military District with my signature. The telegram was about my appointment and removing Grachev, and there was a request to the troops to remain calm and continue with planned military training; and to the generals not to bother spending public funds on condolence telegrams or the money would be charged to them.

I went to the headquarters of the airborne troops where I got an excellent reception too. That is why I am confident today that all those attempts...

[Lobkov, interrupting] And what did [Yevgeniy] Podkolzin [commander of airborne troops] tell you at headquarters?

[Lebed] The commander of airborne troops told me that he had only one supreme commander.

[Lobkov] In other words, your appointment was seen as normal and fair, as it were, and today you have had confirmation of that?

[Lebed] I believe that is correct. I have always known how to show that I am the boss.

[Lobkov] Aleksandr Ivanovich, now that you have new powers you will be able to give direct instructions to the director of the Federal Security Service and so on. As is known, the Security Council incorporates all the heads of major structures, including power structures, the Foreign Intelligence Service, and so on. How are you going to work with them?

[Lebed] I am absolutely free of megalomania, and, in general, I am not seeking a quarrel with anybody or trying to sow discord between people. I will find a proper manner of communication with all the power ministers. I do not see any problem here since I like to communicate with people very much. In my view the problem lies elsewhere. At one time, we used to have a system in which each power ministry used to act seemingly independently, but if a martial law or state of emergency was introduced the whole system turned into a single fist.

[Lobkov] When was that?

[Lebed] Not so long, about 10 to 12 years ago the system functioned with great assuredness. But now it has been destroyed, and this is wrong. We are suffering great losses in Chechnya due to a lack of agreement and interaction between the troops. That is why we need a single system of the country's defense. I am going to suggest to the president that the post should be abolished — or to be more precise, to make the defense minister a real minister of defense rather than minister of army and navy, as is the case today.

[Lobkov] Was it you who recommended Yeltsin today to remove Grachev? Bluntly speaking, was it you who sacked Grachev?

[Lebed] It was not today, it was yesterday. Yes, it was me.

[Lobkov] Thank you for an exhaustive answer. Coming back to the subject of Chechnya — during your election campaign or even two election campaigns you made quite a few statements on Chechnya. I will recall them — your three main points were to evacuate the Russians from there, to stop financing Chechnya temporarily and use the money for assisting the Russians who were being evacuated from there, and to move the troops to where they were in 1956 and then to rout the fighters with precision strikes. Which of the above points are you going to implement now, which points have survived up to the present day? Will the Chechen policy change now?

[Lebed] I think it will change, but for the moment Oleg Ivanovich Lobov will continue tackling the Chechen question until I gain a full understanding of it and prepare an appropriate plan. Then I will take over this issue.

[Lobkov] What is your relationship with Lobov? After all, as I understand, it may be very complex, considering the extent of the government reshuffle.

[Lebed] Why? Why? Not at all. He has left, as far as I know, to take the post of first deputy prime minister. I cannot remember what he will be in charge of. I do not see any reason for any arguments here. That would have been futile.

[Lobkov] Do you intend to make an inspection trip to Chechnya to familiarize yourself with the situation and with what is going on there?

[Lebed] Yes, I do. I must gain the full understanding of the matter and readjust the structures. Then I will start sorting things out on the spot. It is best to be on the spot to sort things out.

[Lobkov] How do you assess the existing agreements between Yeltsin and Yandarbiyev — the already existing ideas relating to the holding of a referendum in Chechnya. Which ideas will you support? Do you intend to have contacts with Yandarbiyev yourself?

[Lebed] I have always insisted on the idea that we are all Homo sapiens. Everybody has so far agreed with me on this? Enough fighting! Let us reach agreement.

[Lobkov] In other words, do you indeed intend to have personal contacts with the Chechen opposition?

[Lebed] That is how things work at the moment. We are obliged to have contact with unpleasant and loathsome people and any sort of people. Security must be ensured. What does it matter who I have to have contacts with to achieve this end. We must have guarantees of security in the country. All other issues are incidental.

[Lobkov] Aleksandr Ivanovich, going back to the subject of politics. As far as I know you held negotiations with Yavlinskiy about a pre-election coalition. During the first round you were judged, as you said on Sunday, to be tougher. Now, prior to the second round, are you planning to propose to the president that he should reach agreement with Yavlinskiy or do you think that the president will get Yavlinskiy's votes automatically, anyway?

[Lebed] Well, I think that this is a matter for Grigoriy Alekseyevich [Yavlinskiy] and Boris Nikolayevich [Yeltsin]. They will sort it out together and there should not be any outside interference here.

[Lobkov] Let us now turn to another pre-election coalition discussed so often, incidentally, these discussions continued today too and they centered on the Communist Party. Let me recall that one of the sharpest reactions to your appointment came today from Viktor Ilyushin, the head of the [parliamentary] committee on security, your colleague. He likened you to Aleksandr Rutskoy and said that Yeltsin brought you into play before the elections, like he had done with Rutskoy and that, like Rutskoy, you would end up on a prison bunk. Could you comment on this statement by your colleague in the field of security?

[Lebed] What is there to comment about? One would not like to insult him and yet there is no other way. I am where I got to and I know what I will be doing and I will fulfill this plan of mine, I will fulfill it indeed, no matter what Ilyushin or Zyuganov or anybody else says and, quite honestly, I am not bothered about it at all.

The country will have security, I have set about this task.

[Lobkov] The communists make no secret of their desire to win you over to their side. Just imagine, two days before the elections Zyuganov at a news conference saying I like Lebed very much, he will have a perfectly remarkable program to combat crime and corruption, it is right up our street and we will be doing the very same thing and we will retain Lebed in his post as secretary of the Security Council, say....

[Lebed, interrupting] So what of it....

[Lobkov, continuing] ...or maybe we will even give him something more, the prime ministerial chair, for instance. What would your reaction be?

[Lebed] Prime ministerial chair is simply an election promise, no more than that. Let me repeat that I am where I got to and where I know for sure I will be useful, indeed, for my country.

[Lobkov] With President Yeltsin, on — precisely — his team? Or could you also be useful on Zyuganov's team? What can you say now about this?

[Lebed] Well, you know, there is no particular difference of principle here. I have already said that the country is choosing a course, it is choosing a future. I have already chosen my future and I do not link it to those who happen to have this or that particular surname, because they are symbols, bearers of an idea, no more than that.

[Lobkov] Despite the fact that Zyuganov's assistants and his closest party comrades had very sharp things to say today about your importance, Zyuganov nevertheless said he did not rule out a meeting with you, notwithstanding your appointment. Well, if he offers you such a meeting, will you go?

[Lebed] It will take place tomorrow. As I said, that is in the line of work. A meeting will take place tomorrow and we will talk.

[Lobkov] Well, let us assume that you will be offered something, too. What will you say?

[Lebed] Why should I be offered anything? I have chosen my path, I have said what I am about, I have begun to familiarize myself with my duties and have already managed to do a thing or two within the limits of my duties. I am not a trader, you cannot buy me.

[Lobkov] Very well, then, Zyuganov will try to persuade you. He will tell you that by joining the presidential team you have compromised yourself in the eyes of most of your voters, because we have, let us say, studied your voters and they are people who do not vote so much for programs as for personalities and they voted for you as an opposition personality. Well, you are no longer in opposition and they will no longer vote for you and Yeltsin and we will get their votes anyway. This is currently Zyuganov's viewpoint and the viewpoint of most of his team. Well, is there anything you can tell us about this?

[Lebed] You and I have managed to say so much here that anyone in the opposition would feel jealous, wouldn't they?

[Lobkov] I cannot agree, because after all, the opposition does not join the team of the incumbent president.

[Lebed] But there is one country, its name is Russia. The country where people live in the atmosphere of lies and deception, dirt, fear, and bribery. There is a state called Russia, and we should wipe all this dirt and slime off her face. That is what I will do.

[Lobkov] Is this what is described as the program for ensuring security? What will it consist of specifically, what specific reforms will be carried out, what steps taken? You did mention on Sunday that you would carry out reform in the army. When will you acquaint the president with this program? What will be in it, in general terms?

[Lebed] I have given myself two weeks to get my proposal to the president ready. Since the document has not yet been officially approved, one cannot really talk about it, it is not done. The program should be accepted and approved, and then we will have good cause to talk about it live on air or otherwise.

[Lobkov] Aleksandr Ivanovich, you have joined the presidential team now. Apparently you have made preparations for this step. You have brought with you your friends and those who supported you in the election campaign. Is it possible to find out now what Lebed's team is like? As we know, you have been surrounded by different people at different times. What kind of people are there now?

[Lebed] I do not know what is a good person. I do not agree with this concept, especially as a part of someone's job description. I know what a professional is.

[Lobkov] All right. Who are the professionals now whose opinions you will respect?

[Lebed] If I list their names, I do not know whether they will mean anything at all to you or anyone else.

[Lobkov] I should think so. We know that at one point in time you allegedly worked with well-known economist Naytshul [name as heard] and well-known promoter Aleksey Leonardovich Glazyev [name as heard]. I do not know whether I am right because it is mainly hearsay. These people are well known in Moscow political life.

[Lebed] We have a big and diverse country, and, I have to repeat myself, that is why it cannot have just one major economist. It is too big, too diverse, and its problems are far too diverse. That is why I have a good rapport with a wide circle of the country's best economists, in my view, including Glazyev, Naytshul, Lvov, Orlov, and many others. As the saying goes, one needs a good argument to reach a correct decision.

[Lobkov] So, what about the problems of international security? These are rather specific problems, which also come with your new job. What will you be guided by here?

[Lebed] We have absolutely colossal reserves that we have not yet brought into play. We took professionals of a very high class. We knew how to train professionals, both in the KGB and in the Interior Ministry. In fact, since 1945 the country has taken part in 52 regional wars, let us make that plain. So they were all lumped together and accused of unreliability and they were given the push. They cannot now all be brought back into active service. But bringing them together into a council of independent experts, using their immense experience, absolutely must be done. They never served for money, they served an ideal. And today, the majority of them, I know for certain, are waiting for somebody to say come back, you are needed.

[Lobkov] Aleksandr Ivanovich, when the Public Opinion Fund was polling people before the elections, they let people ask a question of the president, President Yeltsin. And a large proportion of these questions were, I quote, when will all this mess be over, unquote. This was on the presidential confidential telephone line. Can you now give a sure answer to the voter, now both your voter and President Yeltsin's, when will all this mess be over? Let us put it that way. Answer the question in the way it was usually put by people.

[Lebed] I am a smartass, but not enough to say the day after tomorrow at five past three. Not that much. I am talking to you now, then on the 20th I will be presented to the Security Council and I will get to work. I will come out in the media when we can see this work begin to bear some kind of specific fruit. I will not chatter, I will work. I am deeply convinced that an all-around security system will result from this work. There are people who can be relied on. There are people who can help, absolutely wonderful professional staff. The main thing is that they are clever, they are attracted to me, and I am not afraid of having clever people around me. We will reach an agreement.

[Lobkov] And with this all-around security system, will people be able to go from their house to the bread shop in the evening without worrying, or to a film with their girlfriends?

[Lebed] That is the most important thing, that is the aim and the most important priority for the security system, so that people, normal people, the vast majority of us, can live on their own patch freely, peacefully and safely. It is the bandits who should be afraid.

[Lobkov] And that is what you are promising the bandits?

[Lebed] Yes.

[Lobkov] That is your election promise to the bandits.

[Lebed] Yes.

[Lobkov] Aleksandr Ivanovich, let us come back to broader issues. You have given a list of people who in your opinion represent a threat to the security of the country. Today, a list of people who, let us say, were organizing a form of armed resistance. Have you already drawn up a list of people, besides these, for the president? Will you insist on other reshuffles?

[Lebed] Well, in principle there will be reshuffles, but it will not be some kind of settling of accounts. I am not a petty or malicious person. I have never settled accounts with anyone and have no intention of starting now. I have already said that I judge people on their professionalism. That is why there will not be any wholesale reshuffles. Competence and professionalism will determine one's suitability for a post. So, no one ought to fear anything, it is all in the line of work, no more than that.

[Lobkov] Thank you Aleksandr Ivanovich. Let me recall that Aleksandr Lebed was our guest today on the "Hero of the Day" program. Let me remind you that Aleksandr Lebed was appointed today to the post of secretary of the Security Council and president's national security adviser and he now holds the two key posts in the system to ensure Russia's national security. It was one of the most important political appointments of recent time.

Russia: Lebed Tells Zyuganov Why He Sided With Yeltsin

LD1906110896 Moscow ITAR-TASS in English 1016 GMT 19 Jun 96

[By Andrey Surzhanskiy]

[FBIS Transcribed Text] MOSCOW, June 19 (Itar-Tass) — Tough-speaking General Aleksandr Lebed who joined Boris Yeltsin's team after winding up third in the first round of presidential elections last Sunday, today met Gennadiy Zyuganov, leader of the Russian Communist Party, who will stand up against Yeltsin in the run-off vote early next month.

The popular general explained his choice of the sides and discussed the political situation and security problems facing Russia in-between and after the two polls.

Lebed's aide Vladimir Titov told Itar-Tass the meeting had lasted 90 minutes, during which Lebed also explained to Yeltsin's rival why he had agreed to a high post in the Yeltsin government — in a bid to attract his voters to his side in the second round of voting Yeltsin had appointed Lebed Secretary of the powerful Russian Security Council and made him presidential national security adviser.

According to Titov, the popular general said he had been guided above all "by Russia's interests and has already begun work in his new capacity in order to keep his election promises."

Asked if Lebed discussed Zyuganov's proposal to join a coalition government when and if Zyuganov won the run-off vote, Titov replied, "Lebed respects the people's right and will work with the President elected by the people."

Titov said Zyuganov and Lebed discussed all aspects of security associated with the upcoming second round of elections" and agreed that "all political forces must interact in order to ensure security, as no one needs any aggravation of the situation." They agreed that "it is necessary to conduct the second round of elections in a way as well-organised and quiet as the first round."

Titov said Lebed had already begun work in his new capacity, "although he has neither an office nor a telephone."

Lebed is to be formally installed in his new post on Thursday when President Boris Yeltsin introduces him to the Security Council and Lebed formally takes over from his predecessor in the office Oleg Lobov, who was promoted to First Vice-Premier on Tuesday when Yeltsin played a number of trump cards in his spurt towards the second round of elections.

Lebed and Zyuganov today met in the State Duma lower house, and the press service of the Communist party in the house declined to comment on the results of the meeting or say whether any understandings had been reached.

Zyuganov had gone into the meeting with Lebed to talk with him "not as with an also-ran but as a professional responsible for specific spheres of work in the office of the head of state."

Russia: Zyuganov Shows 'Restraint' on Lebed's Appointment

LD1806210596 Moscow 2x2 Television in Russian 1900 GMT 18 Jun 96

[FBIS Translated Text] Gennadiy Zyuganov, the leader of the Communist Party, showed restraint regarding Aleksandr Lebed's appointment.

[Begin Zyuganov recording] Regarding Aleksandr Ivanovich's [Lebed] energy to fight crime — if Mr. Yeltsin were not guided by the percentages, he could have done this a year ago and now there would have been results of the fight against crime. There had already been a general close to Yeltsin, who gave him his talent and his abilities. He fought crime, looked after agriculture, and ended up with given nothing to do, and what is more — found himself doing porridge. [end recording]

Russia: Lebed Discusses Future Role of Security Council

LD1806205996 Moscow Russian Television Network in Russian 1810 GMT 18 Jun 96

[Video report from the "Vesti" newscast]

[FBIS Translated Text] [Unidentified correspondent] Aleksandr Lebed, new secretary of the Security Council who was appointed this morning by President Yeltsin, held his first news conference today. It took place at the President Hotel, which also houses President Yeltsin's election headquarters. This important, albeit minor detail, confirms that Lebed has joined Yeltsin's team as an active player. There were not enough seats in the conference hall to accommodate all reporters, politicians, and cultural personalities — who do not often go to news conferences. However, this one was unusual.

[Begin recording] [Lebed] The Russian people must not suffer any more from political showdowns or from new inhumane experiments. I have made my final choice. I know how badly our people need truth and order now. I understand that people and their lives are now the most important thing. We need, today, people of honesty and integrity who are prepared to take upon themselves this huge responsibility for what there is to be done.

I am a soldier and I have had enough of fighting. As a professional military man, I hate wars and I will do all I can to prevent new wars happening in Russia.

[Correspondent] Lebed described his stance in an honest and straightforward manner which becomes an army man. He said he was prepared for a dialogue with any political force and clarified what he had in mind when, after meeting the president, he decided to take the responsible and difficult post of secretary of the Security Council.

[Lebed] I have chosen new ideas. I am convinced that the majority of my voters will understand me and will also make their choice. Old ideas will not get you very far, we have run out of them anyway. I acknowledge the right of the communist idea to exist. It is a very beautiful idea — that of equality, brotherhood, and happiness. For some reason, however, not a single country in the world has, as yet, managed to implement it. We have paid a price of great sacrifices, deprivation, and suffering trying to implement it, as I said before. Let someone else try it. We will simply live normally today, rather than in a bright future [applause].

[Correspondent] Asked by "Vesti" which specific steps he would take at his new post in the near future Lebed suddenly made a sensational statement.

[Lebed] I have already resolved one specific issue toady. The circles close to the defense minister made an attempt to organize a coup no. three [the first two being the 1991 coup and the 1993 siege of parliament] and to raise a wave. I visited the headquarters of the Moscow military district and of the airborne troops and I secured full loyalty of the Armed Forces, I believe. This is a specific thing. I know for a fact that there will not be disturbances now. Specific enough, isn't it?

[Correspondent] The general made it clear that he had specific plans in mind of ways to reorganize the work of the Security Council, which have been agreed with the president. Besides, the president has granted Lebed additional powers to implement them.

[Lebed] I intend to carry out a serious reorganization of the apparatus of the Security Council, which should become influential, first, in the issues of the personnel, structure, functions, and financing of the departments whose heads will be part of the Security Council.

All important appointments and changes of functions and structures will be agreed with the chairman, or rather secretary of the Security Council. The secretary will submit for the president's approval agreed candidates for posts of plenipotentiary representatives of all departments that are part of the Security Council. These candidates will be chosen from among senior officials in these departments. They should hold a post enabling them to implement, coordinate, and monitor the decisions of the Security Council.

These plenipotentiary representatives to the apparatus of the Security Council will work permanently in the Council, but also remain at their posts and retain their powers. They will make up a group of councillors, or the operational council of the Security Council.

The situation center of the Security Council apparatus will be subordinated to this group of councillors. All analytical departments that are part of different commissions, administrations, and sections of the Security Council will be disbanded and replaced by a single information and analytical center that will have the job of looking into the whole complex of the problems of national security; of analyzing the situation in the state and the processes that may destabilize public life; of revealing in good time the reasons of instability, and of working out ways of affecting and stopping undesirable processes.

[Correspondent] Aleksandr Lebed was asked all kinds of questions today — naive, sarcastic, and even cruel. Journalists of many countries agreed, however, that it was not easy to detract from the serious general.

[Lebed] I have never pretended to wear a halo. I am not without sins. There cannot be an airborne assault general who has no sins.

[Correspondent] The audience was especially delighted when, asked whether the Lebed puppet in NTV's "Kukly" program looks too scary, Lebed said:

[Lebed] You lot mix with funny people who are scared of puppets [laughter, applause]. I have never met anyone like that. It is a nice philosopher who speaks with brevity, clarity, and depth. [applause] If you are a hostage, what do you want to be relieved of? Right, of life. It gives clear commands — dropped — what a shame! [sentences as heard].

[Correspondent] Aleksandr Ivanovich, who was direct and open in some ways, declined, however, to answer questions on army reform. There was no clarity either as to who will become new defense minister. However, Lebed apparently does not think that it will be Boris Gromov.

[Lebed] I think General Gromov... [pauses] What do I think of Gen. Gromov? On second thought, I do not think of Gen. Gromov. There was once a very good general who shortchanged himself.

[Correspondent, over picture of reporters surrounding Lebed] It is kingmakers who make a king. If an event becomes sensational, the media has had something to do with it. Bodyguards were helpless when greedy reporters surrounded the hero of the day, Secretary of the Security Council Aleksandr Lebed. [end recording]

Russia: Lebed To Dismiss Security Council as 'Shock Therapy'

LD1806140796 Moscow ITAR-TASS World Service in Russian 1337 GMT 18 Jun 96

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] MOSCOW, 18 Jun — Aleksandr Lebed, who was today appointed secretary of the Security Council, intends to subject the council to "shock therapy." He said this to an ITAR-TASS correspondent after the press conference which he gave today at the President Hotel.

Asked whether he is making preparations for the forthcoming meeting of the Security Council and what his first moves would be, Aleksandr Lebed said: I will be presented to the Security Council and "I will start by removing all its members". This will be "a kind of shock therapy," the secretary of the Security Council stressed.

During his press conference Aleksandr Lebed was asked whether he intends to campaign for Boris Yeltsin ahead of the second round of the presidential election. In reply he said that "he bears little resemblance to an organizer of mass public entertainment" and that he will be "preoccupied with the Security Council throughout this time." The president supports my plans, he added.

Russia: Lebed Does Not Have Much To Say About Gromov

LD1806172896 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1703 GMT 18 Jun 96

[FBIS Translated Text] "As far as General Gromov is concerned, I do not have much to say," Aleksandr Lebed, today appointed secretary of the Security Council, told correspondents at a news conference, the Ekho Moskvy correspondent reports.

"Gromov used to be a very good general who afterward dissipated his energy on minor things," thinks General Lebed.

Russia: Chernomyrdin Says Grachev Submitted 'Request' Himself

LD1806195596 Moscow Radio Rossii Network in Russian 1800 GMT 18 Jun 96

[FBIS Translated Text] At a meeting between Boris Yeltsin and Viktor Chernomyrdin it was stated that cadre reshuffles would continue. Our correspondent Regina Lukshiina asked the prime minister:

[Begin recording] [Lukashina] Viktor Stepanovich, to what extent was Pavel Grachev's dismissal and Aleksandr Lebed's appointment expected?

[Chernomyrdin] Well, Aleksandr Lebed and Pavel Grachev — I do not see a direct link here. The issue regarding Grachev has been on the agenda for a long time. Pavel Sergeyevich himself submitted the request. [end recording]

Russia: Grachev's Departure, Successor, Future Pondered

MK1906101996 Moscow NEZAVISIMAYA GAZETA in Russian 19 Jun 96 p 1

[Report by Andrey Poleshchuk under the general headline: "'New Broom' in President's Hands"]

[FBIS Translated Text] On Monday, 17 June, Boris Yeltsin, Russian Federation Armed Forces supreme commander-in-chief, summoned Defense Minister and General of the Army Pavel Grachev to the Kremlin. After a conversation between them the minister wrote a resignation document. According to one of the versions, Grachev flatly refused to work under his former subordinate Aleksandr Lebed. Sergey Medvedev, the Russian Federation president's press secretary, officially denied this assumption, stating that Pavel Grachev "looked with understanding on the president's decision concerning the appointment of Aleksandr Lebed."

Pavel Grachev's resignation had been discussed for so long and with such persistence that, at a certain point, it appeared impossible. It looked as if one of the most odious defense ministers in the history of the Russian (Soviet) Army was entrenched in his position forever. But nothing can last forever; Pavel Grachev's end came in the form of the sensational General Aleksandr Lebed. It is not hard to guess that one of his conditions for joining President Yeltsin's team was the resignation of the defense minister.

Thus, once again, a former subordinate "ate up" his chief. It is known that Grachev once dispensed with Colonel General Boris Gromov, under whom he served in Afghanistan. Incidentally, it has long been predicted that Boris Gromov would get the defense minister position, and this may very well happen. It is also known that relations between Lebed and Gromov are no better than the current presidential favorite's relations are with Grachev. Colonel General Valeriy Mironov, main military expert of the Russian Federation Government, has been named as another probable candidate. One should suppose that the number of aspirants for the senior position is somewhat greater.

The man appointed as acting defense minister is General of the Army Mikhail Kolesnikov, chief of the Russian Armed Forces General Staff, who held a conference yesterday with top command personnel of the Russian Federation Armed Forces.

The Russian Federation Defense Ministry Information Department declined official comment on what happened. As for the reaction to the defense minister's resignation among members of the Defense Ministry and the General Staff's central apparatus, according to information available to NEZAVISIMAYA GAZETA a vast majority of them do not conceal their joy: "What happened should have happened long ago!" Pavel Grachev's closest aides are undoubtedly dejected, as well as proteges who, one would think, know that many officers will insist on launching practical, full-scale investigations into cases of corruption and the unlawful use of funds by top generals of the Russian Federation Armed Forces. People in the Russian Federation Defense Ministry argue that had the current "Clean Hands"-type campaign been conducted by the MVD [Ministry of Internal Affairs] before the elections, Boris Yeltsin would have picked up far more of military people's votes. In the meantime, according to unadvertised data, Defense Ministry analysts have arrived at the fact that approximately equal numbers of central-apparatus officers voted for Yeltsin as for Zyuganov; Grigoriy Yavlinskiy came in third, with Aleksandr Lebed trailing him.

As for the new defense minister, he is expected first of all to really stop the war in Chechnya. Following which he should bring a measure of order to the top echelons of military authority.

Pavel Grachev's professional future is unclear thus far. NEZAVISIMAYA GAZETA reported some time ago that he might be offered the position of commander-in-chief of the CIS Joint Armed Forces. According to other information, yet another position for the former defense minister is being considered: that of Russia's representative at NATO's Brussels headquarters. At any rate, Pavel Grachev will not be left without a job.

Russia: News Agency Says Yeltsin Appoints Kokoshin Defense Minister

LD1806161696 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 18 Jun 96

[FBIS Translated Text] Here is one of the last reports from the ARGUMENTY I FAKTY Novosti Agency. The agency has learned from informed sources at the headquarters of the Russian Ministry of Defense that Yeltsin has allegedly signed a decree appointing the former first deputy minister of defense Andrey Kokoshin to the post of Russian defense minister. He was Pavel Grachev's only deputy on the staff. There has been no official confirmation so far.

Russia: Yeltsin Meets With Demoted Security Aide Baturin

LD1806164696 Moscow INTERFAX in English 1605 GMT 18 Jun 96

[FBIS Transcribed Text] MOSCOW, Jun 18 (Interfax) — Russian President Boris Yeltsin Tuesday received Yuriy Baturin, who was transferred from the post of aide on national security to the post of ordinary presidential aide the same day in line with a presidential decree which replaced him with General Aleksandr Lebed.

Yeltsin has not defined the sphere of Baturin's new functions, Yuriy Baturin told Interfax after this meeting. He said that there would be more meetings with the president.

Baturin said that "there has been no rumors of his resignation." Moreover, Yeltsin reassured Baturin that he remains in the presidential team as before and asked Baturin "not to give up national security issues for the period until Aleksandr Lebed is in the know."

Baturin said he learned about his transfer to another post Tuesday morning, not long before the decree was signed. "Yeltsin telephoned me and said that my functions would change. It wasn't news for me," he said.

Lebed needs organizing functions in order to achieve his goals. "I've had no such functions. There were opportunities but I had no appropriate levers in order to use them," Baturin said.

"There will be no staff rearrangements in the leadership of the power structures at least before the second round of presidential elections," he said.

Russia: Baturin To Continue Dealing With Security Issues for Now

LD1806155196 Moscow ITAR-TASS World Service in Russian 1500 GMT 18 Jun 96

[By Andrey Shtorkh]

[FBIS Translated Text] Moscow, 18 Jun — Russian President Boris Yeltsin met his aide Yuriy Baturin during the afternoon. By presidential edict he was relieved of his post of aide for national security this morning and appointed to the post of presidential aide.

Baturin said that the range of his new duties has so far not been defined. The president suggested that he think about and discuss this matter later, Baturin told an ITAR-TASS correspondent. Baturin said that at the same time the head of state believes that Aleksandr Lebed will need some time to get to grips with his new post as presidential aide for national security. In connection with this Boris Yeltsin asked Baturin to continue dealing with security matters for the time being.

Russia: Lobov Appointed in Charge of Power-Wielding Departments

LD1806122696 Moscow ITAR-TASS World Service in Russian 1159 GMT 18 Jun 96

[By ITAR-TASS correspondent Artem Protasenko]

[FBIS Translated Text] MOSCOW, 18 Jun (ITAR-TASS) — Oleg Lobov, whom the president today appointed first vice premier of the Russian government, will be the government's man in charge of the power-wielding departments. ITAR-TASS was informed of this today by an authoritative source in the Russian Government.

Furthermore, according to the same source, Oleg Lobov will probably head the state commission for settlement of the Chechen crisis and will supervise all issues connected with the situation in Chechnya.

Russia: Yeltsin Instructs Government To Make 3 Jul Day Off

LD1906120596 Moscow ITAR-TASS in English 1156 GMT 19 Jun 96

[FBIS Transcribed Text] MOSCOW June 19 (Itar-Tass) — President Boris Yeltsin instructed his government to make Wednesday, July 3, a day-off to hold the second round of elections, his press service said on Wednesday.

It said the presidential resolution was signed according to a request of Central Election Commission chairman Nikolay Ryabov to make July 3 a day-off "for the creation of equal possibilities for the participation of citizens in the elections of the President of Russia".

The press service said Yeltsin was acting in accordance with part 2 of article 80 of the Russian Constitution and issued the resolution "to ensure the guarantees of the rights of citizens, to create equal and favourable conditions for their participation in elections..."

The article says that the President "is the guarantor... of the rights and freedoms of man and citizen".

The State Duma is expected to consider declaring July 3 a day-off on Friday.

It is believed that voting on Wednesday may increase the turnout as most people go to the countryside on weekend. Yeltsin's campaigners put big stakes on the turnout saying the victory of the president can be ensured only if it is not less than during the first round on Sunday. The disciplined communist voters are sure to come to the polls on any day, while Yeltsin's electorate may miss the second round if it is held on Sunday.

Russia: Chernomyrdin Forecasts More Government Reshuffles

LD1806165496 Moscow ITAR-TASS in English 1615 GMT 18 Jun 96

[By Artyom Protasenko]

[FBIS Transcribed Text] MOSCOW, Jun 18 (Itar-Tass) — The Russian government will face more reshuffles, Prime Minister Viktor Chernomyrdin told reporters on Tuesday.

President Boris Yeltsin on Tuesday signed another decree concerning a change in the government, Chernomyrdin said without elaborating.

However, he warned against linking all the changes with the nation's presidential elections.

The responsibilities of Oleg Lobov, who was dismissed as secretary of the Security Council and appointed first deputy prime minister on Tuesday, will be decided in the near future, he said.

"There are many issues wanting solution, and they are enough for everyone," he said in this connection.

Speaking of his meeting with Yeltsin on Tuesday, the prime minister said that is was the first serious meeting after the preparation and holding of the first round of the presidential elections.

They discussed the results of the first round of elections and the situation in Chechnya, as well as finance and personnel issues, Chernomyrdin said.

According to the premier, "There is no direct link between the appointment of Aleksandr Lebed and the dismissal of Pavel Grachev, as the defence minister issue had been discussed for a long time." Grachev filed a resignation at his own initiative, he said.

Asked to comment on Lebed's statement concerning an alleged military plot, he said he knew nothing about it and gave to understand that he had not heard about Lebed's statement before.

Russia: Lebed: 'Coup Number Three' Foiled; Promises No Riots

LD1806131796 Moscow INTERFAX in English 1304 GMT 18 Jun 96

[FBIS Transcribed Text] MOSCOW, June 18 (Interfax) — Secretary of Russia's Security Council and presidential aide on national security Gen. Aleksandr Lebed Tuesday started consultations with several generals "worthy of appointment to the post of defense minister."

"I have already solved one concrete issue today," he said at a press conference in Moscow on Tuesday. "Circles close to the defense minister tried to organize coup number three and have stirred up a corresponding wave which ran though the headquarters of the Moscow military district and airborne forces. They have shown complete loyalty and I know for sure that there will be no riots."

Russian President Boris Yeltsin appointed Lebed secretary of the Security Council and presidential aide on national security this morning.

Lebed sees his main tasks in the new post as removing "the danger of the worsening of social and political problems in the country, especially the danger of their growth into an armed conflict, in creating a real mechanism to control the military force."

"Russia's people should not suffer from politicians' quarrels any more and go through one more monstrous experiment," Lebed said.

Lebed said that as before "truth and order" remain his credo and "people and their life" are the major thing for him. He explained that he, as a soldier, "hates war" and would do his best to prevent any armed conflicts on Russian territory.

Lebed explained his acceptance of the post by the fact that this is a practical implementation of his pre-election program because he promised "to find a place after the second round if I failed to enter it."

Russia: Chernomyrdin 'Unaware' of Lebed's Allegations of Coup

LD1806170196 Moscow INTERFAX in English 1631 GMT 18 Jun 96

[FBIS Transcribed Text] MOSCOW, June 18 (Interfax) — Russian Prime Minister Viktor Chernomyrdin has said he is unaware of General Aleksandr Lebed's allegations about a possible military coup. Lebed is the new Russian Security Council chief and presidential adviser on national security.

When asked to comment on Lebed's statement on this issue after his meeting with the Belarusian prime minister on Tuesday, Chernomyrdin said he "had heard nothing about such a statement (by Lebed)" and dismissed the rumors as "nonsense."

When asked about a possible toughening of the Russian authorities' stand on Chechnya following Lebed's appointment, Chernomyrdin said he does "not see such a possibility."

"The program for settlement (in Chechnya) is being implemented. And, on the contrary, it is being corrected in favor of accelerating the peace settlement," Chernomyrdin said.

"If Lebed submits for consideration by the (state) commission (for settlement in Chechnya) proposals that will help speed up the peace process, we will welcome them," Chernomyrdin said.

Chernomyrdin said Pavel Grachev's resignation as Russian defense minister was not directly linked with Lebed's new appointment. "This issue was raised long ago. Pavel Grachev has submitted a letter of resignation. This was his decision," Chernomyrdin said.

He said the powers of Oleg Lobov, former secretary of the Russian Security Council and appointed as Russian first deputy prime minister on June 18, would be determined later, at their personal meeting.

"There will be no senior or junior first deputy prime ministers. Problems will suffice for everyone. We have an avelanche of work to be done," Chernomyrdin stressed.

Chernomyrdin said that during his Tuesday meeting with Russian President Boris Yeltsin they had considered problems regarding the financial situation in the country, new appointments and the situation in Chechnya.

"The personnel changes in the executive power structures, including the regional administrations, will continue," Chernomyrdin said. He does not link the personnel changes with the forthcoming second round of the presidential elections in Russia. "This is business as usual," Chernomyrdin said.

Russia: Lebed: Baltics Joining NATO Will Cost U.S., UK

LD1806141396 Moscow ITAR-TASS World Service in Russian 1239 GMT 18 Jun 96

[FBIS Translated Text] Moscow, 18 Jun — Replying to the question of the ITAR-TASS correspondent as to whether some of the electors who voted for him will see his consent to join Boris Yeltsin's team as betrayal, Lebed replied that his decision "is not betrayal in any measure.

"People simply believed in my program," he stressed. In Lebed's words, he was "simply fed up with those who made permanent residence in the opposition their main profession."

Journalists asked many questions about an area that now becomes Lebed's sphere of responsibility — Russia's national security.

Touching on the problem of NATO's eastward expansion, Aleksandr Lebed noted that his position on this was absolutely clear: "We are no longer fighting anybody and we are strong enough not to want to redraw the political map of the world." At the same time he added that "we will find ways of bringing to the attention of British and American taxpayers the fact that the creation and improvement of military infrastructure in the Baltic countries will cost them roughly $100 billion." Modification of armaments will cost another $150 billion, Lebed believes. "So, if you have enough money and energy to expand, feel free," he added.

Military Issues

Russia: Yeltsin Edict on Boosting Strength of Civil Defense Troops

MM1806110796 Moscow ROSSIYSKAYA GAZETA in Russian 15 Jun 96 p 5

[Russian Federation Presidential Edict No. 784, signed by Russian Federation President B. Yeltsin on 27 May 1996: "Questions of the Civil Defense of the Russian Federation"]

[FBIS Translated Text] With a view to improving the activity of the Russian Federation Civil Defense Troops and in accordance with Article 80 and Section 2 of Article 77 of the Russian Federation Constitution, following the proposal of the Russian Federation Government and pending the adoption of a federal law on civil defense, I decree:

1. That the appended Statute on the Russian Federation Civil Defense Troops and the appended structure and composition of the organs specially authorized to deal with civil defense tasks and tasks of preventing and eliminating emergencies and of the Russian Federation Civil Defense Troops (in peacetime) be approved.

2. That it is deemed necessary, by agreement with the Russian Federation components, to reorganize staffs for civil defense affairs and emergencies which are subunits of the organs of executive power of the Russian Federation components and organs of local self-government as organs specially authorized to deal with civil defense tasks and tasks in preventing and eliminating emergencies within or attached to the organs of executive power of Russian Federation components and organs of local self-government. The procedure for reorganizing staffs for civil defense affairs and emergencies is to be laid down by the chairman of the Russian Federation Government, who is ex officio chief of civil defense of the Russian Federation.

3. That it be stipulated that servicemen of the Russian Federation Civil Defense Troops may perform military service in accordance with manning levels and within the limits of the established strength within the Russian Federation Ministry for Affairs of Civil Defense, Emergency Situations, and Elimination of Natural Disasters, regional centers for civil defense affairs, emergencies, and the elimination of the consequences of natural disasters, and organs specially authorized to deal with civil defense tasks and tasks in preventing and eliminating emergencies within or attached to organs of executive power of the Russian Federation components and organs of local self-government.

4. That in 1996 the Russian Federation Civil Defense Troops be brought up to strength at 28,900 people, including 23,800 servicemen. By the year 2000, that the total strength of the Russian Federation Civil Defense Troops be brought up to 55,000, including 50,000 servicemen.

The increase in the strength of the Russian Federation Civil Defense Troops is to take place simultaneously with the reform of the Russian Federation Armed Forces by stages in accordance with the appendix and with their total strength being approved annually by the Russian Federation Government in the course of the formulation of the draft federal budget for the year in question.

5. That the numerical strength of servicemen of the Russian Federation Civil Defense Troops performing military service in organs specially authorized to deal with civil defense tasks and tasks of preventing and eliminating emergencies within or attached to organs of executive power of Russian Federation components and organs of local self-government be established by agreement with the organs of state power of the Russian Federation components and organs of local self-government in the course of the reorganization being carried out in accordance with Paragraph 2 of this Edict within the limits of the total strength of the Russian Federation Civil Defense Troops.

6. This Edict enters into force on the day of signing.

[Signed] Russian Federation President B. Yeltsin
[Dated] Moscow, the Kremlin, 27 May 1996

Federal Assembly

Russia: State Duma To Discuss Date for Election Runoff on 21 Jun

LD1906084196 Moscow ITAR-TASS World Service in Russian 0807 GMT 19 Jun 96

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Translated Text] Moscow, 19 June (ITAR-TASS) — The State Duma will discuss on 21 June the bill President Boris Yeltsin submitted to the lower chamber of the Russian parliament declaring 3 July a nonworking day to enable the second round of the presidential elections to be held.

This became clear during the discussion of the agenda for today's plenary session of the chamber. The majority of deputies did not support the appeal from Aleksandr Kotenkov, the president's representative in the State Duma, that this legislative initiative from the head of state be discussed today. This proposal received the support of 166 deputies, whereas 226 votes were needed to adopt it.

State Duma Chairman Gennadiy Seleznev informed the members of parliament that the council of the chamber decided on 18 June to include the president's proposal on the agenda for the plenary session on Friday 21 June.

Russia: Faction Tries To Set Up Anti-Left Coalition in Duma

LD1906100596 Moscow ITAR-TASS in English 0947 GMT 19 Jun 96

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MOSCOW, June 19 (ITAR-TASS) — The Russian parliament faction Russia Is Our Home is trying to set up a coalition of democratic deputies in the State Duma to resist the left opposition, faction press-secretary Aleksey Morgun told a press-conference in the Duma.

Morgun said that faction leader Sergey Belyayev met the Russian President on Wednesday to propose to the president his conception of uniting the reformist forces.

The proposal to set up a democratic coalition has been heard and consultations and negotiations between factions, deputy groups and deputies were held on Tuesday and continued on Wednesday, the press-secretary said.

Morgun also noted that Yabloko leader Grigoriy Yavlinskiy had displayed interest in the coalition, but before agreeing to the union, he must get the goahead from his faction.

Russia: List of Legislative, Regulatory Documents 9-15 Jun

96P50095A

[FBIS Report] The following is a listing of Russian legislation recently published in the press of the Russian Federation compiled by FBIS. Numbers within parentheses indicate approximate wordage. Entries followed by the notation "Text" have been translated into English and are available in FBIS publications.

[Note: Most newspapers did not publish on 12 June]

Section I: Economic Legislation (Export-Import, Banking, Privatization, Auctions, Regional Development)

Chernomyrdin 17 May Decree No. 612 On Certain Measures To Implement Federal Law 'On State Regulation Of Foreign Trade Activity.' (Moscow ROSSIYSKAYA GAZETA in Russian 11 Jun 96 p 5) (450)

Chernomyrdin 30 May Directive No. 858 Granting R623 Billion In Tax Breaks To Moscow Subway Construction Organizations With Above-Quota Creditor Debts. (Moscow ROSSIYSKAYA GAZETA in Russian 11 Jun 96 p 3) (100)

Yeltsin 6 June Edict No. 816 On Program For Developing Gas Supplies In Central Chernozem Region Of Russia In 1996-2000. (Moscow ROSSIYSKAYA GAZETA in Russian 11 Jun 96 p 3) (200) (Text)

Yeltsin 7 June Edict No. 819 On State Support For Horticulturalists, Truck Gardeners, And Owners Of Individual Smallholdings. (Moscow ROSSIYSKAYA GAZETA in Russian 11 Jun 96 p 3) (650) (Text)

Yeltsin 8 June Edict No. 852 On Establishing Rail And Air Travel Benefits For Residents Of Far East Region. (Moscow ROSSIYSKAYA GAZETA in Russian 13 Jun 96 p 1) (300)

Government 11 June Directive No. 906 Approving Statute On Government Grants In Mass Media Sphere, With Appended Statute. (Moscow ROSSIYSKAYA GAZETA in Russian 15 Jun 96 p 1) (120/500) (Text)

Section II: Political (International and CIS Affairs, Elections, Crime, Pollution)

Central Electoral Commission 31 May Decree No. 98/797 On Work Of Moscow Oblast Electoral Commission To Prepare For Presidential Elections. (Moscow ROSSIYSKAYA GAZETA in Russian 11 Jun 96 p 5) (650) (Text)

Chernomyrdin 1 June Directive No. 870 Submitting To Duma Draft Law On Amendments And Additions To RSFSR Law 'On Police,' Appointing Deputy Internal Affairs Minister Fedorov To Shepherd It Through. (Moscow ROSSIYSKAYA GAZETA in Russian 11 Jun 96 p 3) (100)

Yeltsin 3 June Edict No. 803 Approving Basic Provisions Of Regional Policy In Russian Federation, Plus Provisions In Question. (Moscow ROSSIYSKAYA GAZETA in Russian 11 Jun 96 p 4) (300/5500) (Text)

Yeltsin 6 June Edict No. 810 On Measures To Strengthen Discipline Within System Of State Services (Tightens Up Implementation Of Presidential Edicts). (Moscow ROSSIYSKAYA GAZETA in Russian 11 Jun 96 p 3) (1750) (Text)

Yeltsin 6 June Edict No. 814 Placing Chekov Theater In Moscow On Register Of Valuable Heritage Buildings. (Moscow ROSSIYSKAYA GAZETA in Russian 11 Jun 96 p 5) (200)

Yeltsin 7 June Edict No. 833 And 8 June Edict No. 851 On, Respectively, Raising Social Status Of Education And Health Employees, And Strengthening Social Support For Single Mothers And Large Families By Doubling Welfare Payments. (Moscow ROSSIYSKAYA GAZETA in Russian 11 Jun 96 p 1) (500/200)

Yeltsin 8 June Edict No. 857 Instituting Day Of Memory And Grief To Be Marked 22 June In Commemoration Of 1941 Invasion By Hitler's Germany. (Moscow ROSSIYSKAYA GAZETA in Russian 11 Jun 96 p 1) (150)

Section III: Science and Technology

Chernomyrdin 23 May Decree No. 633 On Presidential Grants To Support Researches Of Young Russian Scientists Who Are Doctors Of Sciences And On State Support For The Leading Scientific Schools Of The Russian Federation, Plus Accompanying Statute. (Moscow ROSSIYSKAYA GAZETA in Russian 11 Jun 96 p 3) (350/700)

Chernomyrdin 1 June Decree No. 647 On Measures Of State Support For Diabetics. (Moscow ROSSIYSKAYA GAZETA in Russian 11 Jun 96 p 5) (500)

Regional Affairs

Russia: Chechen Separatists 'Cautious' About Leadership Reshuffles

LD1806191596 Moscow ITAR-TASS World Service in Russian 1837 GMT 18 Jun 96

[FBIS Translated Text] Moscow, 18 Jun — The Chechen side takes a cautious view of all the reshuffles in the Russian Government, separatist spokesman Movladi Udugov told ITAR-TASS by telephone. He said that "the Chechen side does not see in the reshuffles fundamental changes in Russian policies in the Caucasus."

There is, though, "some hope" that the new people who come to power "will have broad scope for maneuver to peacefully end the dangerous and hopeless war in Chechnya."

Russia: Lebed Says Chechnya 'Abscess on Russia's Body'

LD1806161296 Moscow ITAR-TASS in English 1452 GMT 18 Jun 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] Moscow, June 18 (Itar-Tass) — General Aleksandr Lebed, appointed secretary of the Security Council on Tuesday, spoke out for the settlement of the Chechen conflict.

"Chechnya is an abscess on Russia's body, and it can and must be healed up," Lebed told a news conference.

Former secretary of the Security Council Oleg Lobov, who has been granted vice-premiership, will remain President Boris Yeltsin's permanent envoy to Chechnya "until I learn the particulars of the matter," he said.

Speaking of talks between a federal delegation and Chechen rebels, he said "Those who started them will proceed with them."

Russia: Chechen Rebels Rate Lebed Above Others for Finding Peace

LD1906085096 Moscow INTERFAX in English 0808 GMT 19 Jun 96

[FBIS Transcribed Text] SOUTHERN CHECHNYA, June 19 (Interfax) — Aleksandr Lebed, the newly appointed secretary of Russian President Boris Yeltsin's policy-making Security Council, has more chance of stopping the war in Chechnya than other politicians involved in the conflict, Chechen separatist leaders have said.

New people, such as Lebed, "who were not involved in this war, from the very beginning or later, have more chances for political maneuvering to stop it," separatist spokesman Movladi Udugov told Interfax on Wednesdays.

At the same time, he stressed that personnel reshuffling in Moscow cannot improve the situation in Chechnya. "The situation in the republic today is not connected with any specific politicians in the Kremlin and does not depend on any specific people.

"We are pessimists rather than optimists here" and consider personnel changes in the Kremlin only as "moves prompted by the struggle for power," he said.

Russia: Dniester Region Reaction to Lebed Appointment Viewed

LD1806205596 Moscow Mayak Radio Network in Russian 1840 GMT 18 Jun 96

[FBIS Translated Text] It become known, today, too, that Aleksandr Lebed has been appointed Security Council Secretary and presidential aide for national security. This decision could crucially affect the outcome of the Russian presidential elections. But what do the people say with whom Aleksandr Ivanovich has been working side by side for a long time? Our correspondent Yuriy Selivanov is on the line from Tiraspol:

[Selivanov] Whereas in the country as a whole some 15 percent of the electorate voted for General Aleksandr Lebed, in the former 14th Army, now the operational group of Russian forces in the Dniester region, his candidacy for the post of Russian president was supported by every second soldier and officer. This is fairly amazing if one takes into account that after Lebed's removal from the post of 14th Army commander — by the way, any day now it will be a year ago that this happened — many officers, his supporters, left the army and most soldiers have already been transferred to the reserve. To all appearances, to many the impression made by Lebed on the collective memory of this military workforce entirely compensated for the lack of personal contact.

For the sake of objectivity it should be said that Aleksandr Ivanovich left mixed memories behind in the Dniester Region. There are few people who are ready to dispute the general's merits in the matter of putting an end to the bloody Moldova-Dniester Region war, but many also remember that by the end of his service in Tiraspol he had become almost the fiercest critic of the Dniester region, which, in his view — for that matter a fairly controversial one — has turned into a black hole for all kinds of swindlers and political adventurists.

Today's sensational piece of news about Lebed's appointment to one of the highest posts in the Russian state was given a mixed reception in the Dniester Region and in the army, even by those who in the first round voted for this candidate. Some say that the general is at last in his place and that now there will be order in the state. Others believe that the present alliance between Yeltsin and the commander who recently was being persecuted by him is a purely opportunist phenomenon without any long-term prospects. One of the people I spoke to today even recalled Lebed's well-known pronouncement during the present election campaign to the effect that a person in whose hands all the state's power-wielding structures end up will no longer need the president. Nevertheless, to most of Gen. Lebed's supporters here, he remains a fairly authoritative politician on whom hopes are pinned for a substantial improvement of the state of affairs in the country.

Russia: Ingushetia Says Vehicle Attack Took Place in N. Ossetia

LD1906113496 Moscow ITAR-TASS in English 1049 GMT 19 Jun 96

[FBIS Transcribed Text] MOSCOW, June 19 (Itar-Tass) — Ingushetia's law and order authorities have bluntly dismissed media reports that the attack on the armoured personnel carrier of Russian interior troops took place in Ingushetia. The attack has left seven servicemen dead and four wounded.

A high source in the Ingushi Interior Ministry told Itar-Tass that the personnel carrier was attacked in North Ossetia.

A source in the headquarters of the Russian 58th Army deployed in the North Caucasus told Itar-Tass today that the vehicle was ambushed in an area between Ingushi villages of Psedakh and Galiyurt, northeastern Ingushetia.

The Ingushi president's press secretary, Kureish Agasiyev, faxed a communique to Itar-Tass today, saying that the personnel carrier was ambushed by unknown attackers at a site "five kilometres from the village of Gairbek-Yurt in the territory of the Pravoberezhny district of the Republic of North Ossetia".

According to Agasiyev, the bodies of the seven killed soldiers and the four wounded had been transported to North Ossetian capital Vladikavkaz.

A joint team of investigators from Ingushetia and North Ossetia is working at the site of the attack.

Russia: Kaliningrad Governor on Oblast Prospects, Problems

MM1806115896 Moscow KOMSOMOLSKAYA PRAVDA in Russian 18 Jun 96 p 4

[Interview with Yuriy Matochkin, head of Kaliningrad Oblast administration, by Aleksandr Petrov; date, place not given: "Yuriy Matochkin: We are Living in Holiday Mood" — first two paragraphs are Petrov introduction]

[FBIS Translated Text] Russia's western Kamchatka — Kaliningrad Oblast — is currently going through what is perhaps the tensest and most crucial period in its history. It so happens that the presidential election campaign coincided with preparations for the gubernatorial election. In addition, events to mark the 50th anniversary of the oblast's formation have been in progress here since April.

So many events in one region at once. Is it not too much? That question began my conversation with Yuriy Matochkin, head of Kaliningrad Oblast administration.

[Matochkin] The main thing, of course, is the presidential elections. As for the gubernatorial.... I have wanted that for a long time — how long can you go on as an appointee! I even asked for it to be held 16 June. But it was postponed to 6 October.

As for celebrating the jubilee, that was inevitable. After all, we are marking two events at once: the formation of Koenigsberg Oblast (7 April 1946) and its renaming as Kaliningrad Oblast (4 July 1946). That is why it is such a large-scale celebration.

Incidentally, the president of Russia issued a special edict devoted to our 50th anniversary. So this is not only an event of local significance. and surely it is no bad thing if, in the midst of busy everyday life, you live in anticipation of a holiday? We don't get enough of that. Since the breakup of the USSR we have been living here in seclusion, so to speak. Now, happily, we don't feel isolated from Russia.

[Petrov] So how is life down there in the Kaliningrad Kamchatka?

[Matochkin] The same as anywhere else in Russia. The same problems.... And there are new ones too, because of our specific circumstances: transit via foreign states, customs barriers, and so forth. That is why both the rate of decline in industrial production and the level of unemployment have been higher than the countrywide average.

[Petrov] But you have not lost heart or become confused....

[Matochkin] To be frank, we were ready for difficulties, to some extent. We have long entertained the idea of forming a free economic zone on our oblast's territory. Incidentally, Boris Nikolayevich Yeltsin was the first to promise us support, back in 1989. And he kept his word.

The State Duma recently adopted the Law "On the Special Economic Zone in Kaliningrad Oblast." Although we are already working under that system. That is why we have made such good progress in foreign economic activity. Foreign trade turnover now totals on the order of $800 million — that is quite a high indicator for a little oblast like ours.

Small business and enterprise are developing actively. As a result new enterprises and new jobs are being created. A typical example: In terms of the number of cars per 1,000 inhabitants, our oblast has reached third place in Russia. And another interesting detail: The rate of increase in savings in the Savings Bank and the rate of purchases of foreign currency by the population are ahead of the growth rate of wages.

But I won't say we have no poor people. The situation in general is still very strained.

[Petrov] And nonetheless the fact that in very difficult conditions you have managed to keep the oblast afloat has had a positive influence on your rating. They say you are the main contender for the gubernatorial chair.

[Matochkin] A politician's rating is a very subtle thing. And for me it is not an end in itself. The incumbent governor should not think about ratings, but about work, which there is plenty of. At the moment we are drafting federal programs for the development of the special economic zone and for the oblast's socioeconomic development through the year 2000. We have already prepared a structural reorganization program, then there are blueprints for the development of the agro-industrial and transportation complexes and the communications sphere. The president recently signed the Edict "On the Creation of a Motor Transport Production Facility in Kaliningrad Oblast." The implementation of this and other projects will make it possible to increase our industrial potential and resolve the employment problem.

That is to say, strictly speaking, all this is my election program and it must still be worked on.

[Petrov] Yuriy Semenovich, are you confident that Yeltsin will be the winner in the presidential elections in Kaliningrad Oblast, and Matochkin in the gubernatorial election?

[Matochkin] Matochkin interests me less today than Yeltsin. The presidential elections are the main thing, everything else is a byproduct. After all, it is not a question of personalities, but of the policy line. To put it bluntly, we will be choosing Russia's future. I am confident that with the present distribution of forces — and it should not change radically — Boris Nikolayevich Yeltsin will win in our oblast in the second round. I hope the presidential election results will not cast a gloom on our jubilee celebrations.

Russia: New Saratov Governor's Successes Reported

MM1806113796 Moscow ROSSIYSKIYE VESTI in Russian 13 Jun 96 p 2

[Report by Sergey Danilov: "Governor Pulls Oblast Out of 'Red Belt'"]

[FBIS Translated Text] Saratov — Of course, according to every yardstick this is a political scandal: In Saratov Oblast the regional organizations of the Agrarian Party and "Yabloko" intend to support Boris Yeltsin. Strictly speaking, in making this decision they opposed their parties' general line. But what should have happened did happen: Common sense prevailed. Dmitriy Ayatskov, the Saratov governor recently appointed by the president, managed to form a coalition government which was joined by representatives of all the parties and movements here except the Communists. Incidentally, the oblast administration head offered Communist Party representative Anatoliy Gordeyev a key post in his cabinet — as vice governor and leader of the economic department. But the latter, as Gennadiy Zyuganov's aide, replied: We shall see after the elections.

But Dmitriy Ayatskov did not need to look anywhere. A businesslike man, he was perfectly well aware that until the dispute between the branches of power and the interparty squabbles were eliminated there would be no opportunity of going his main job — reforming the economy and the social sphere. And the first thing he did was to sit the previously hostile sides at the conference table and to achieve the signing of a social accord treaty. After which in a tough but principled way he introduced order in the executive vertical hierarchy, replacing over 60 percent of the rayon and city administration heads. He created a team which could work harmoniously on the governor's main idea: The "depressed" region must become a prosperous one.

Dmitriy Fedorovich has a happy knack. Like King Midas of Phrygia who was invested by Dionysus with the gift of turning whatever he touched into gold, Ayatskov is one of the new generation of Russian politicians and entrepreneurs which is not accustomed to begging. He seeks out the money the oblast needs where his glance falls and considers a day to have been wasted if he has not managed to do this.

The results of his work in his new post in less than two months are impressive. Since 1 June a new price has been set in the oblast for the natural gas sold to the population — it is nearly half what it was before. According to the law "on veterans" free travel on suburban transport has been introduced and concessions for the payment for communications services have been established. To pay off wages arrears a credit of 3 billion rubles [R] has been issued to the aviation plant. For the same purpose the agro-industrial complex has been given R20 billion, while the same amount has been allocated as an interest-free loan to the poultry and large livestock raising complexes and a further R1 billion to support the private farmers' movement.

Where has the money come from? In my presence Saratov was visited by Sergey Shoygu, minister for civil defense and emergency situations, who was worried at the rise in the number of landslides in the oblast and the lack of proper drinking water in the region. At the end of his visit he had, as he put it, "grown thinner by R2.3 billion" which the Ministry for Emergency Situations had promised to earmark for Saratov to overcome the situation. But that is a detail from the past, today only a lazy man will not put his hand in the federal coffers.

Ayatskov is seeking money under his feet. And finding it. In Perelyubskiy Rayon, Saratov Oblast, a very rich oil deposit with a yield of 3 billion tonnes has been discovered. But at the first stage of privatization with the connivance of the local authorities Moscow financial structures were able to find their way in. As a result the lion's share of the oil shares are now in the hands of the Moscow "Alfa" financial-industrial group which, of course, is not concerned for the needs of the oblast budget. But the governor does not intend to tolerate a situation in which colossal wealth will leak out and its real owners have nothing. As a result of tough talks with the outsiders a compromise solution was found — the oblast will receive the investments it needs. otherwise, Ayatskov believes, the authorities will be allowing the possibility of the redistribution of property. Because any policy should be based on fairness.

Or there is another source for swelling the local coffers. On the oblast territory there are 40,000 tonnes of chemical weapons which are to be destroyed. New expenditure? On the contrary. At the administration's orders technology has been developed to recycle them, obtaining as a final product about 2,000 tonnes of arsenic. And in cost it is equal to gold.

But the governor's special love is the agro-indusrial complex. By specialty a scientist and agronomist, he has singled out the development of agriculture as the priority avenue in the administration's policy. Recently the cliche that the countryside is a bottomless pit and that the agrarian sector of the economy is a priori a loss-making one has been strenuously implanted in the public consciousness (and probably this is to someone's advantage). During a trip to Fedorovskiy rayon with the governor we visited the Chernyshevskiy experimental production farm which is led by Anatoliy Aleksandrovich Ivanov. The picture-book pastoral scenes were touching: well tended fields covering thousands of hectares and promising a reliable harvest, plump livestock, inhabitants of the central farmstead happy with their own prosperity. And the hospitable (he offered us kebabs, boiled carp, crab and, god forgive us, locally produced vodka) director full of new ideas with his family on whom all Russia rests. Last year the state farm finished with a profit of R2.5 billion. This year it will be even larger. And this in a zone where arable farming is risky.

It is a different matter in industry. The majority of enterprises belong to the notorious defense industry with its problems typical of the present situation: the reduction of jobs, delays in wages, and so forth. It is the main supplier of the electorate for the national-patriotic movements. But the situation here is varied. And it can be controlled, the governor is convinced. In his opinion 20-25 percent of the defense industry workers will vote for the president. He has grounds for this conclusion.

Many "red directors" who think only of their own prosperity in the critical situation have had occasion to feel for themselves the toughness of the oblast administration head's position. Dmitriy Fedorovich asked for a list to be prepared for him of enterprises of all forms of ownership with a breakdown of showing what wages the workers receive and how much the leadership receives. The results of the check were shocking. Mr. Litvak, director of the "Banner of Labor" plant, for instance, was calmly receiving R5 million a month while his workers were getting R100,000. The nomenklatura cover of the federal ministry did not save the director. Ayatskov is not used to bowing down to the authorities.

All these actions by the governor did not remain unnoticed in the oblast. People of various political orientation who know how to work and who want to improve life are gathering closely around him. The leader of the Agrarian party members, Boris Dvorkin, chief of the agro-indusrial complex department, and Aleksandr Zhavoronskiy, the chairman of the regional "Yabloko" branch, chief of the administration's international ties administration, are working hand in hand in his team. In other oblast structures Communists and members of the Liberal Democratic Party of Russia are working successfully. They are united by their love for their district and its people. According to one oblast administration official "Ayatskov has awakened us from our lethargy."

...In Saratov Oblast the area has still not rid itself of the traces of three ideological break-up. The city of Marx is in no hurry to assimilate the market economy. A monument to the companion of the founder of Marxism embellishes the main square of the city of Engels. And there is not one population center whose inhabitants do not consider it their duty to perpetuate the memory of their great fellow countryman — the revolutionary democrat Mr. Chernyshevskiy.

The Saratov people do not want any more upheavals. Among the main projects of previously unfinished construction which the present authorities have completed they proudly cite the maternity home whose construction was frozen over 10 years ago. The children born in this maternity home are entering the world free, unaware of the heavy price paid for this freedom.

Russia: Rostov TV Company Resumes Broadcasting After Bomb Scare

LD1906053496 Moscow Radio Rossii Network in Russian 0100 GMT 19 Jun 96

[FBIS Translated Text] On 18 June, some unidentified persons called the editorial office of the state television and radio company Don-TR in Rostov-on-Don and said bombs had been placed in the buildings of the TV and radio centers. The callers also said they will kill [Don-TR] Director General Nikolay Chebotarev.

The felons said they have been angered by the pro-Yeltsin stance of the Rostov television and radio company.

No explosive devices were found, and after a forced break of 90 minutes, the state television and radio company Don TR resumed normal broadcasting.

Economic Issues

Russia: Minister Panskov on Budget, Finance Issues

MM1906095896 Moscow KOMSOMOLSKAYA PRAVDA in Russian 18 Jun 96 p 2

[Interview with Russian Federation Finance Minister Vladimir Panskov by Sergey Ponomarev, date and place not given: "Russian Finance Minister Vladimir Panskov: 'Money Shortage Always Has a Positive Character...'"; first paragraph is introduction — from the "Business Tuesday" section p 2]

[FBIS Translated Text] This conversation with Vladimir Panskov took place before the Federal Assembly adopted and the president signed the sensational Law "On the Transfer of Russian Federation Central Bank Profit into the Federal Budget." It was the finance minister who presented it to the State Duma on the government's behalf. Commentaries on "restricted money supply," "the enforced character of this measure," and so forth then followed. Nevertheless, we decided to change nothing in the text of the conversation. At the first stage of the presidential election the Russian voters have given their assessment of the present Cabinet of Ministers' financial policy....

[Ponomarev] Vladimir Georgiyevich, one way or another any meeting with a member of the government, and especially the finance minister, boils down to one main election issue: What assets does the executive have and what are its debits?

[Panskov] The main point is that inflation has been drastically reduced, it is effectively suppressed. According to the preliminary statistics the figure for May was around 1.6 percent. The ruble has stabilized and is becoming convertible. Substantial currency reserves have been accumulated.

Point two is, of course, the wage arrears. I shall deal first with wages funded from the federal budget. Back in February we began drawing up a timetable, in March we cleared this debt, and we will allow no retreat here. The situation in the regions is more complex, of course. We issued loans totaling 4.7 trillion rubles [R]. In some places problems were resolved but in others they were not resolved fully.

There is much on the debit side. Just as there is on the asset side. I shall deal only with the big issues. The most distressing thing today, of course, is tax receipts. They are falling sharply and, what is more, we can see this happening. This situation is largely predetermined by the political situation. Before elections the desire not to pay taxes is strong....

[Ponomarev] Let us dwell on one undoubted achievement of the present Cabinet of Ministers. Whatever else happened, the May inflation figure was the lowest in the last five-and-one-half years — since December 1990. However, according to Andrey Illarionov, director of the Economic Analysis Institute, for example, the suppression of inflation is a "purely Russian victory." In the sense that it was achieved less by the stabilization of tax receipts and the reduction of state expenditure than by an increase in the internal and foreign debts....

[Panskov] I do not think that Mr. Illarionov has ever said anything positive about the present government's achievements. When we do a bad job they criticize us. When we do a good job they still criticize us: Things were achieved the wrong way, the successes are temporary, they have been achieved despite economic laws....

I am not exaggerating the achievements, and heaven forbid that we say we have done too much good work. But to claim now that we have suppressed inflation by living on credit is nonsensical to say the least. I do not think that a single economist would rebut me if I said that the budget deficit is generally a progressive thing.

[Ponomarev] Are you being serious?

[Panskov] Of course! A money shortage always has a positive character. I hesitate to resort to the old terminology but it makes you pursue a policy of thrift, it makes the government and everyone mobilize themselves. And a deficit is an additional source. Take any civilized country — there isn't one which does not live on credit. The question is simply to do with the scale of the debt. Our current debt is fairly large. But which country has achieved Russia's current result as quickly as this — 15 percent of GDP, 10 percent of GDP, 5 percent, then 3 percent? But this is not what is squeezing inflation out. Why did we have high inflation in 1993 and 1994? Because we used inflationary methods to finance the budget — money supply, Central Bank credits.... The present administration's achievement is that, no matter how hard it was for us, we have abandoned this source of funding.

[Ponomarev] Nevertheless, Aleksandr Livshits, the president's aide for economic questions, reported that in March-April R34 trillion were transferred to the regions to clear the wage and pension arrears alone. Where did this money come from if it was not included in the budget? Can you reveal the source of this expenditure to us....

[Panskov] I can, we have no secrets here. But first of all, you probably misunderstood Aleksandr Yakovlevich. Perhaps he was talking about the payment of wages for a given month across the whole country from all sources of finance. Federal budget expenditure on the payment of wages and pay stands at R8.2 trillion a month. We also repaid R8 trillion for last year and January- February this year from the federal budget [figure as published]. Those are simply all the figures that exist. But current payments and debt settlements have nothing to do with inflation. There was indeed no provision for the debt in the budget. But when was it cleared — in March? It is June now. But believe me, if that kind of payment had been made by increasing the money supply and printing worthless money in April it would already have had an inflationary result. Not to mention May....

Now for the second question: Where did this money come from? In March we were active in the state securities market. This is our market, we manage it. In March alone we earned an extra R3.6 trillion from this source.

[Ponomarev] Vladimir Georgiyevich, the ordinary citizen, who is, perhaps, no great specialist on finance and economics, is nevertheless bewildered. On the one hand, the government says that tax receipts are far from adequate. But on the other hand, trillions are being spent on the restoration of the economy in Chechnya....

[Panskov] Who told you that, what trillions are being spent there? There are no such figures! I can tell you officially that we have not spent a kopek on the restoration of Chechnya in 1996. We cleared some of the debt to the construction workers for 1995, around R700 billion. We are transferring money to Chechnya as we would to any other component of the federation, but that is a different matter. The law on the budget provides for a transfer of funds. And we are providing money for wages, social allowances, and so forth.

[Ponomarev] Many people today are under the impression that the president's team cannot lose by making these many advance payments. If the election is won the promises can be amended, and in extreme circumstances the money supply could be increased temporarily. But if the Communists win, say, someone else will have to foot the bill, the present authorities won't have to pay a penny....

[Panskov] Well, let us consider that. Let us suppose that there is a new government and a new president. Will they not try to resolve the wage arrears problem?

Now for election promises. First, everyone is making promises. I would not say that this is normal but this is how things have worked out. Any contender for the presidency in any country always makes promises. What is there behind the incumbent president's promises? I have accompanied him on many trips. The president makes some decisions on the spot, as the mass media put it, he hands out money. But I have not yet seen a single decision by the president which was outside the framework of the budget. Sometimes he hands out R2 billion, R5 billion, even R10 billion for the solution of some local problems in various regions. But he takes this money from the president's reserve fund. R100 billion — that is all that the president has. Whether there were elections or not, the president would still have spent this reserve fund.

[Ponomarev] Let us return to the question of debts and loans. Zyuganov's election program published at the end of May speaks among other things of plans to renounce cooperation with the IMF unless the latter radically changes its terms for granting loans. In your view, what would such a program be like if it were implemented?

[Panskov] I have seen many programs and election promises. You can give all kinds of assurances, but a realistic approach to this is needed. The fact is that our opponents already tried to do that when ratifying the 1995 budget in the Duma. And likewise with the 1996 budget, although they did not try as hard then. But this was nothing to do with the Communists. This was to do with Yabloko: Let us reduce borrowing and increase inflation.... Yes, we really are dependent on the IMF. However, this state of dependence did not come into being today or even yesterday. But our dependence only exists on paper at the moment. The Soviet Union's $100 billion debt — what about it? The fact is that our debt today stands at a little over 120 billion.

Now we have achieved a rescheduling of our debts. On very favorable terms for Russia, furthermore. Without this deferral we will have to pay in 1996 not the $8.5 billion that we have already included in the budget for the London and Paris Clubs but Russia's own debts — over $20 billion. Can we do this today or not? It is the same picture for the next few years. If we refuse to pay our debts an international court will resolve the problem very easily: Our ships out on the world's oceans sailing under the Russian flag will be seized forthwith and our assets abroad will be seized. We would be bankrupt, the country would be bankrupt.

Now for the crippling terms, as they have been described. What would be better for our country — 5-6 percent inflation a month built into the budget or 1 percent, as the IMF demands? Remember how price tags in the stores changed twice a day.... Were those conditions crippling? Or the fact that we are borrowing from international organizations at 5-6 percent a year while our respected banks are lending to us at 8 or 10 or 12 percent a month, not a year — is that crippling? As a professional financier I can see no way of severing ties with the international organizations.

[Ponomarev] Nevertheless, some foreign loans seem dubious. For example, on 7 May our newspaper published an article entitled "Imported Syringes — the Sign of Capitalism" on an agreement with the World Bank for Reconstruction and Development which provides a loan for the purchase of medical equipment. A. Filev, chief of a Finance Ministry department, demanded a retraction from us. It is being said that the loan is going to be used not for the import of equipment but for its purchase in open international tenders in which Russian enterprises can also take part. Even though it is obvious that our companies will hardly be able to compete with Western companies....

[Panskov] You know that there are tied and untied credits. When we simply obtain credit, this money is used to clear the budget deficit. The whole question hinges on what the so-called tied credits are used for.

[Ponomarev] But when we take a World Bank loan we end up using this money to provide work for enterprises outside Russia....

[Panskov] Yes, this is true. But you go to any medical institution today. Will you see Russian equipment there? Go ahead, take part in a tender! No one is prohibiting that.... But today we are being offered medical equipment of inferior quality at superior prices.

Russia: Central Bank's Aleksashenko Fears IMF May Change Policy

MK1806120196 Moscow KOMMERSANT-DAILY in Russian 15 Jun 96 p 2

[Report by Leonid Brodskiy: "Case of Five Trillions"]

[FBIS Translated Text] The problem of the monetary policy followed by the Central Bank has become the focal point of both the IMF and the State Duma. Their conclusions are directly opposite. The IMF mission agrees with the program being implemented by the Central Bank. The Duma expropriated for the federal budget Central Bank profits to the tune of 5 trillion rubles [R]. Central Bank First Deputy Chairman Sergey Aleksashenko stated yesterday that should the Duma continue to pressure the Central Bank, the economic course followed in Russia would become threatened.

The covering of the federal budget deficit using Central Bank profit is a quite justified measure from the point of view of financial policy. But this is beside the point. Having become an actual rostrum for opposing the president, the Duma is waging an assault on the Central Bank for rather clear political motives. Opponents of the present economic course realize that even if they win the presidential elections, the Central Bank, protected by the law on the Central Bank, is in quite the position to conduct its own monetary policy. What is more, the Central Bank has already come out openly in defense of the current economic course and formulated its currency-rate policy for the second half of 1996. This policy, as KOMMERSANT-DAILY has already written, has a clear-cut anti-inflationary nature. The Central Bank also has even more powerful economic policy levers, such as the regulation of the activity of commercial banks or the government securities market. Thus, the Central Bank wields sufficient power in order to conduct its own policy, provided there is no change in the law, and this calls into question the economic aspirations of the enemies of the present course. Thus, we speak not only of the R5 trillion — the Duma's offensive on the Central Bank is surely part of the campaign strategy of the opposition presidential candidates. It is most probably this that explains the sharp reaction to the Duma decision by Central Bank First Deputy Chairman Sergey Aleksashenko.

Nor can one count out the position of the IMF. As the irony of fate would have it, the fund's board of directors voted to provide Russia with the May tranche of $340 million as part of the EFF credit during the very same days when the Duma made its decision over the ill-fated R5 trillion. The Central Bank matched the parameters of its monetary policy with the IMF inspection mission in Moscow, according to Sergey Aleksashenko, based on the state of things "before 1 June." Thereby Aleksashenko makes it understood in no uncertain terms that the IMF may, after all, change its policy toward Russia. No matter how many unflattering words were said in Moscow about the IMF in the heat of the election campaign, it is obvious to a pragmatic economist that a lack of understanding with the fund will entail fresh difficulties for Russia, both in its relations with creditors and investors, as well as in solving such problems as joining the WTO.

Owing to the encroachment on the Central Bank's prerogatives, Sergey Aleksashenko stated, "the line toward suppressing inflation will be unsettled." Not without sounding mysterious the banker went on to say: "We are being forced to resort to appropriate compensatory measures." He implied that the Central Bank would step up other anti-inflation measures, such as, for example, tougher reserve requirements with regard to commercial banks. This would eliminate inducements for investment and put off the prospects of actual economic growth.

Russia: Economic Situation After Election Considered

MM1806130496 Moscow FINANSOVYYE IZVESTIYA in Russian 18 Jun 96 p 1

[Article by Yevgeniy Vasilchuk: "Economy Will Meet New President With Old Problems"]

[FBIS Translated Text] The Russian economy and financial system have greeted the first round of the presidential elections with increased instability and the unrestrained buildup of the inflationary potential.

The president and government, with the virtual connivance of the Bank of Russia, have allowed in the second quarter of 1996 a drastic and economically premature weakening of the tax and budget and credit and monetary policy. The Central Bank's ostentatious attempts to defend its independence against the executive and legislative branches were in fact not worth a lot. Moreover, they could exact a high price from the Russian banking system, which is already limping on both legs, and the real sector of the economy.

The Bank of Russia's vengeful publication of the staggering indicators for the June emission, which reached nearly 20 trillion rubles [R], initially put the financial markets in shock. At the same time the Central Bank, to justify its own weakness, undertook a frenzied maneuver to toughen up credit and monetary policy. Although scarcely a month had elapsed since it was eased.

This led to feelings of quiet panic in industrial and banking circles. Weeks of explanations and exhortations were needed before relative stability was restored on the markets and confidence was restored in the authorities' rationality. Premier Viktor Chernomyrdin, for instance, was obliged to confirm the government's intention to seek a reduction in the Bank of Russia's interest rate to 20-30 percent by the end of 1996.

Nonetheless the currency market situation is still characterized by uncertainty. At the end of last week the ruble exchange rate suddenly and quite substantially differed from the exchange quotations.

The macroeconomic situation also remains extremely tense. The preliminary results of the first round of the elections instill no excessive optimism here. To all appearances the authorities will need at least another month to implement the preelection economic policy scenario. And that is according to the most proinflationary option.

Even the official figures for the state of the Russian economy and finances in the first half of 1996 are not impressive. It is symptomatic but despite all the pitch of electoral passions, the top officials' economic optimism has increased markedly. And the Ministry of the Economy has in general entered into what is almost open opposition to the government's real economic course.

A certain revival of industrial production is not accompanied by favorable structural changes and hints of an investment boom. The dynamic of the real GDP remains depressed — when an increase of nearly 3 percent was predicted for the year. The registered production of services is declining wholesale. Prices for services are growing at three times the speed of prices for goods.

The dynamic and level of officially registered inflation continue to cause doubts among objective researchers. June was the third month in succession when the rise in prices declared by the government — this time up to 1.5 percent — was markedly lower than the independent forecasts of a slow rise in inflation. This dispute will probably not be finally resolved for a long time yet.

Another officially published macroeconomic statistics and assessments and forecasts do not predict future prosperity. The expansion of monetary payments and the reduction in the level of inflation made it possible by the middle of the year to achieve an increase in the population's real wages and income. But as production volumes and real GDP decline or stagnate, and while there is a large surplus balance of foreign trade this cannot fail to give rise to an intensification of inflation pressure in subsequent months.

The figures for the execution of the budget for 1996 cause any sane financial expert to tremble. According to the law on the budget for 1996 the planned level of the correlation of the budget deficit to GDP is 3.85 percent. The budget for the first half of previous years was usually executed in excess of the planned average annual guidelines. This year the officially reported level of budget deficit in relation to the GDP was over twice as much as estimated and the unofficial level was approximately four times, that is it reaches 15-16 percent of GDP.

So far no visible progress can be seen in the levy of taxes. The president and parliament are vying to adopt new expenditure decisions. The list and sums of the promised payments long ago exceeded any sensible quantities to make it possible to analyze them rationally. The cannibalistic raising of the state debt continues. Unfortunately the authorities have been unable to reject the pernicious but dangerous temptation of buying votes at the voters' own expense.

Russia so far is managing to avoid economic and financial catastrophe. But the country is not rich and influential enough to live in debt forever. The state has in fact not actually learned to fulfill any constructive function in the sphere of regulating the economy and market reforms. It remains to be hoped that the newly elected Russian president and the new government will be able to direct the national economy's development into a positive channel.

Russia: Kadannikov Cited on Tax Law Principles

MM1906083296 Moscow IZVESTIYA in Russian 15 Jun 96 p 2

[Report by Yuliya Ulyanova: "Taxes Are the Price We Pay for the State's Services, Vice Premier Vladimir Kadannikov Recalls"]

[FBIS Translated Text] The government commission to improve tax legislation, set up by the president's April edict and the government's May decree, began its work quite unexpectedly — two days before the election. A similar commission used to exist: It was headed by Anatoliy Chubays for several years. The commission is now chaired by Vladimir Kadannikov.

The commission's first session can be considered to be an organizational session. This is precisely how Kadannikov himself defined its tasks. Nevertheless all 44 commission members, who include representatives of all ministries and departments, the State Duma, the Federal Assembly, and public associations, have been working hard for a long time on proposals and comments on the new Tax Code, which is due to be adopted and come into force in 1997. True, according to ancient "tradition" departments or public organizations usually not so much propose improvements to the tax system as a whole as express their own sector interests. They are defended not only by agrarians and fishermen but also the Russian Orthodox Church, which has its own permanent representative on the government commission. It cannot be ruled out that the church's interests in this work could extend somewhat further than trading in silver crosses without paying taxes: The Moscow Patriarchate is the founder of the "MES" Russian joint-stock company, an economic giant which is one of the biggest oil traders.

According to Kadannikov the commission, before it has even started work, is already being snowed under by an excess of specific proposals, which are often received directly from enterprises. It was therefore decided to set up a working group which will do the "spadework." It is headed by Deputy Finance Minister Sergey Shatalov. "What concerns me," Shatalov said, "is whether the commission will be able to achieve the global tasks it has been set without changing them into concessions in each specific case. For example, despite the exclusively organizational tasks of the session that took place, the list of questions for consideration actually included the proposal to differentiate taxation in the light of sector and geographic problems. The actual framing of this question to the commission seems dangerous to me."

The effectiveness of the commission's work depends to a great extent on the position of its chairman, Kadannikov. It is too difficult to predict his actions based on the results of the commission's first session: His fairly tough report struck a noticeably discordant note compared with the complaisance shown toward the demands of departmental representatives such as the aggrieved Sergey Shatalov.

There is quite a long way to go until the real results of the commission's work are evident, but Kadannikov's statements give some idea of them.

"We must proceed from one simple and hard and fast rule: Taxes are the price society pays for the state's services," Kadannikov said. "The terms of the deal in this market are dictated by the seller-state itself, while the buyer-taxpayer takes them as a given."

Kadannikov listed the principles on which tax reform in Russia must be based:

— The tax system must ensure equality and be comprehensible to taxpayers and easy to administer,
— the tax base must be broadened primarily by abolishing tax breaks. This must be done so that the necessary revenues are collected stably and the principle of fair taxation is observed,
— the overall level of tax levies must be substantially reduced and the number of taxes must be decreased, while a review of tax legislation must be carried out not more than once a year at the same time as the federal budget is adopted,
— the tax system must preclude double taxation,
— although more receipts must be collected through income taxes, the tax burden on enterprises must be reduced by transferring it to income tax on physical persons,
— excise taxes on natural resources must be increased so that tax receipts from this sector reflect its importance in the Russian economy, at the same time as other excise duties must be reduced, unless there are good reasons for not doing so (as in the case of alcohol and tobacco products),
— the taxation of all ordinary goods at the standard rate of value-added tax (20 percent). An exception can be made for food products and a number of goods (for example children's clothing) so as to limit this tax's regressive effect.

Russia: Expert Report on Socioeconomic Trends in Russia Viewed

MK1906063096 Moscow NEZAVISIMAYA GAZETA in Russian 18 Jun 96 p 4

[V.S.-signed report: "Exit From the 'Depression Trap'"]

[FBIS Translated Text] The report "Socioeconomic Trends in Russia: Analysis and Forecast. 1996" has been prepared by a group of experts at the Institute of National Economy Forecasts of the Russian Academy of Sciences and the Federation of Commodity Producers of Russia. Its authors claim that the main feature of the current period is its transitory nature. Narrow time limits for a strategic choice of ways of subsequent development are being determined by a critical gap between the energy and raw-material sectors and the manufacturing industries, which, against the backdrop of a lengthy depressive stabilization, has speeded up the destruction of the production and manpower potential of the Russian industry.

In the long run, the "natural" way — i.e., a harmonization of the production pattern with the final demand structure — will lead to the revival of the economy, with the rate of growth at 2-3 percent a year. The authors support their conclusion by a detailed examination of how a "depression trap" is being formed. Stabilization has been attained by way of harsher demand restrictions, accompanied by a stronger dependence of production on the revenues of the real sector [realnyy sektor] and the people.

The solution of a systemic crisis by using the "natural" way, however, is not guaranteed, since there is a real threat of [1] a new large-scale industrial recession due to the worsening of the financial situation of commodity producers; [2] a fall in tax revenues, which will lead to a critical situation with budget execution and, as a consequence, a rise in inflation up to the level of 7-10 percent a month by the end of the year; and [3] a spontaneous failure in the mechanism of funding of the budget deficit at the expense of internal borrowing on money markets.

The authors of this study propose that state influence on the structuring of the final demand be strengthened, which — in view of the multiplicative effect — should lead to a rapid recovery of the economy from a critical situation. Although a mild inflationary support of the production, in the researchers' opinion, will lead to a growth in the budget deficit, this will allow to solve many economic and social problems.

A prerequisite for a favorable development of the proposed scenario is the consolidation of the Russian establishment, which is only possible under proper coordination and observance of the rules and norms of its civic responsibility to the entire society.

Russia: Moscow To Ban Gasoline Imports Temporarily

LD1806124296 Moscow INTERFAX in English 1132 GMT 18 Jun 96

[FBIS Transcribed Text] MOSCOW, June 18 (INTERFAX) — The Russian market will be temporarily closed for the import of several kinds of oil products, Russia's Deputy Prime Minister and Foreign Economic Relations Minister Oleg Davydov told INTERFAX.

"This is a forced measure; it is caused by the fact that more and more gasoline produced from Russian oil is being imported to Russia from abroad," he said.

"The problem is that the imported gasoline differs from the domestic one by its higher quality. This is caused by lack of high technology to refine oil in Russia," Davydov said.

"At least one to two years are needed in order to re-equip Russian refineries and to increase competitiveness of their production," he said.

"Our businessmen have already attracted appropriate funds for these purposes," Davydov said.

However, "a certain pause is needed for the period of reconstruction and modernization during which domestic producers should be protected from competitors," he said.

"When the depth of oil refinery reaches a high level, all restrictions for oil import to Russia will be cancelled," he said.

"In general the Russian market remains one of the most open in the world as of today," Davydov said.

"Temporary protective measures are needed for the making of a new Russian economy in the period of radical reforms," he said.

Russia: Conversion Technologies Set To Benefit Gas Industry

MM1806151196 Moscow KOMSOMOLSKAYA PRAVDA in Russian 18 Jun 96 p 3

[Report by Valeriy Kachurin: "Time To Buy a Thermal Imager. 'Dual-Purpose' Technologies in the Gas Fields" — from the "Business Tuesday" section, p 3]

[FBIS Translated Text] Tyumen and Moscow — The meeting was unexpected and obviously a pleasure. "But you're a 'pure' physicist, what are you doing here?" — the men embraced, slapping each other on the shoulders, as if they had not seen each other for years. The first international congress on "New High Technologies for the Oil and Gas Industry and the Power Industry of the Future," held in Tyumen, did indeed seem to leave no great hope for the participation of "pure" physicists and poets remote from the problems of the fuel and energy complex. The congress, organized by the Gazprom Russian Joint-Stock Company, the Academy of Technological Sciences, and the Russian State Committee for the Defense Sectors of Industry, was more of an applied, practical nature. I asked the "pure" physicist, who turned out to be Vitaliy Stafeyev, a professor from Zelenograd, what brought him to the congress. "Thermal imaging," he replied simply. "This field began to develop in our country back in the days of the Vietnam war, when the Americans first installed thermal imagers on helicopters and were able to see an 'accumulation of enemy manpower' in the jungle. So Igor Gibin, director of the Institute of Optical Systems in Novosibirsk, and I want to offer this technology to the gas and oil men for diagnosing defects on pipelines." Today there are on average 20-25 defects in every 1,000 km of gas pipelines. Approximately 200,000 km of gas pipes were laid in the country 15-20 years ago, and now a close eye must be kept on them — 70 percent of Russia's oil and gas pipelines need repairs. Doctor of Sciences Stafeyev, who is building just such an eye — an all-seeing eye the size of the nail on your little finger, capable of holding half a million light-sensitive elements, is genuinely distressed: A thermal picture, say, an analysis of the ripening of the harvest on earth, can now be obtained even from space, yet Gazprom does not have a single thermal imager. His illustrious colleague from the Zelenograd Microelectronics Center, Hero of Labor Gennadiy Guskov (he won a state prize for the radio support for Gagarin's flight), explains that from space it is even possible to detect metal "fatigue" — you only need to know what conditions the pipe lies in. Space surveillance of the condition of gas pipelines gives a colossal saving of time and helps to avoid huge costs in eliminating disasters. Modern optical electronic systems, devices, and satellites developed at the Samara space rocket center make it possible, with the help of space probing, to analyze the consequences of ecological disasters, study the earth's natural resources, and photograph its surface. In such pictures you can see individual trees, buildings, drilling rigs, and even, the scientists joke, car license plates.

"The doors of defense plants were always closed to us," Gazprom chief Rem Vyakhirev admitted. "And it is only thanks to conversion in the defense sectors of industry that we have begun to cooperate. Gazprom has enlisted major machine building plants in creating equipment for prospecting for and extracting gas and oil on the shelves of the northern seas. The Gazprom Russian Joint-Stock Company's 'Arctic' orders alone provide work for more than a quarter of a million people. And then there is Yamal, which, as Valeriy Remizov, deputy chairman of the

Gazprom board, stressed in his report, will require new technical solutions...." Fierce arguments kept erupting at the congress over the future of the power industry. But Aleksandr Gritsenko, general director of the All-Russia Gas Research Institute, literally brought the scientists down to earth by proposing that the development of the so-called small oil and gas deposits, to which no significance had hitherto been attached, should finally begin. Huge reserves of fuel are under our very feet, they exist in virtually every oblast. But whereas the United States uses 37 percent natural gas for the population, in Russia, alas, the figure is only 9 percent. The point is that all our equipment was created for "large-scale oil," but what is needed here is small capacities capable of delivering gas from the well to, say, a bakery. Huge gas reserves have been prospected, there is enough for approximately 215 years. As Vladimir Alfeyev, president of the Academy of Technological Sciences, noted, thanks to Gazprom's intensive work, especially in recent years, we have become the world's number one gas state. But in prospecting, extraction, processing, and transportation of gas — everywhere — obsolete equipment is used, which not infrequently cancels out the efforts of a vast collective and does not allow it to realize its potential. That is why a whole series of technological projects have now been worked out which will make it possible to boost the efficiency of the gas industry in the near future.

International Affairs

Ukraine: Foreign Minister Heads for NATO Meeting in Warsaw

WS1906075396 Kiev INTELNEWS in English
0239 GMT 19 Jun 96

[FBIS Transcribed Text] Foreign Minister Hennadiy Udovenko heads to Warsaw today for a meeting with NATO and the alliances partner countries.

The minister is scheduled to present a report titled "Ukrainian look at European security." The June 19-23 meeting is the eighth NATO working seminar titled "Passage of political-military decisions."

Udovenko said Monday in Kiev that "the position of Ukraine regarding the NATOs expansion is being modified." "Nowadays Ukraine is concerned by the issue of the placement of nuclear weapon in central and eastern Europe rather than the issue of NATOs expansion," Udovenko said.

Prospects of NATOs development, as well as problems of the security of Baltic, Northern and Black Sea regions will be discussed at the conference in Warsaw.

Attending the conference will be Czech Republic President Vaclav Havel, President of Bulgaria Zhelyu Zhelev, Prime Minister of Estonia Tiit Vahi and NATOs member-countries and partner-states representatives of the foreign affairs ministries and the defense ministries.

NATO General Secretary Javier Solana will attend the seminar as well as other key officials of NATO.

Ukraine: Shmarov Comments on NATO Meeting in Brussels

WS1906111096 Kiev UKRINFORM in English
0945 GMT 19 Jun 96

[From the "Current Events" feature]

[FBIS Transcribed Text] Kiev, 18 June — As an UKRINFORM correspondent in Kiev reported, on June 17, Defense Minister Valeriy Shmarov held a press conference for journalists at the Defense Ministry in Kiev to assess the outcome of the annual NATO defense minister conference in Brussels, Belgium, which he attended. Commenting on the conference's numerical composition, Mr. Shmarov referred to it as greatly enlarged at the expense of Central and East European nations. The Ukrainian defense minister interpreted the fact as testifying to integration and detente processes underway in Europe and gaining momentum. According to the defense minister, the Brussels meeting focused on NATO's Partnership for Peace Program among other agenda items. Mr. Shmarov called the program a significant international event in the process of development. As the Ukrainian defense minister said, much of the conference's attention was devoted to assessing individual national programs including the one submitted by Ukraine. According to Mr. Shmarov, he stated Ukraine's position as that of a non-aligned nation which rules out any nuclear proliferation in the process of NATO's eastward expansion. Sharing his impression about his contacts with many foreign delegates to the Brussels conference, Mr. Shmarov said that many of them had expressed willingness to establish relations with Ukraine including defense cooperation.

Ukraine: No 'Strategic Changes' in Relations With Russia

LD1806143296 Kiev UNIAR in Ukrainian
1130 GMT 18 Jun 96

[FBIS Translated Text] Kiev [no date as received] — Yuriy Serheyev, the head of the information department of the Ukrainian Ministry of Foreign Affairs, noted on the subject of the course of the Russian presidential elections that the results of the elections can lead to a certain adjustment in the bilateral relations, although there cannot be any strategic changes, because "Ukraine depends on Russia as well as Russia depends on Ukraine."

In the opinion of the Ukrainian diplomat, if the democratic changes and economic reforms do not proceed fast, our dependence on anyone will grow. "Our dependence on anyone will depend on ourselves," Serheyev noted. As for Ukraine's relations with the West, he believes that the above thesis applies to them too.

Ukraine: Environmental Minister's Visit to U.S. Detailed

WS1806114696 Kiev UKRINFORM in English
0840 GMT 18 Jun 96

[From the "Current Events" feature]

[FBIS Transcribed Text] Kiev, 17 June — According to reports from the press center of the Ukrainian Embassy in Washington, Ukraine's Environmental Protection and Nuclear Safety Minister Yuriy Kostenko is continuing his visit to the United States. As part of the visit a press conference has been held at the National Press Club in Washington, during which the Ukrainian-American Fund, the Ukrainian Ministry of Environmental Protection and Nuclear Safety, and the Ukrainian Embassy in the United States announced a new international initiative named "Chernobyl 2000." The aim of the "Chernobyl 2000" initiative is to conduct a large-scale international campaign in support of Ukraine and G-7 member-nations' plan to shut down the Chernobyl nuclear power plant and replace it with other sources of energy.

The "Chernobyl 2000" initiative will also promote implementation of other measures stipulated in the memorandum of understanding signed between Ukraine's President Leonid Kuchma and leaders of G-7 nations. The press conference was addressed by Mr. Kostenko, Ukrainian-American Fund Chairman Nadezhda MacConnel, and Ukraine's Ambassador to the United States Yuriy Shcherbak. A number of influential public organizations in the United States and other G-7 member-nations have declared their readiness to enter into cooperation within the framework of the "Chernobyl 2000" initiative.

The Ukrainian Embassy also organized a roundtable titled "The Chernobyl Nuclear Power Station: Functional Problems and Decommissioning." Earlier during the visit, Mr. Kostenko had met with Ambassador Jim Collins, U.S. Secretary of State's adviser on relations with the newly independent states, and National Security Council Director Carlos Pasquale [name and title as received] in Washington to discuss Ukraine's cooperation with the United States and other G-7 nations on the shutdown of the Chernobyl nuclear power plant. Mr. Kostenko drew attention to the need to provide funding for programs stipulated in the memorandum on mutual understanding between Ukraine and G-7 member-nations. He also drew attention to the decisions adopted at the Moscow G-7 summit on nuclear safety. The Ukrainian environmental protection and nuclear safety minister also held meetings at the United States Department of Energy and the World Bank's Headquarters. Discussions here focused on cooperation between Ukraine and international institutions and the United States government in restructuring the Ukrainian energy sector.

National Affairs

Ukraine: Kuchma Appoints New First Deputy Premier, Finance Minister

LD1806170096 Moscow INTERFAX in English 1620 GMT 18 Jun 96

[FBIS Transcribed Text] KIEV, June 18 (Interfax-Ukraine) — Ukrainian President Leonid Kuchma signed a decree Tuesday [18 June] appointing Vasiliy Durdinets as first deputy prime minister.

Until now, Durdinets was deputy prime minister in charge of security issues and emergency situations and headed a presidential coordinating committee on the fight against corruption and organized crime.

Col. Gen. Durdinets was born in 1937 and is a lawyer by education.

Kuchma also appointed Valentin Koronevskiy as Ukrainian finance minister. Until now, he headed the financial department of the Zaporozhye regional administration.

Ukraine: Deputy PM on Lvov Visit, Situation, Tasks

WS1806131796 Lvov MOLODA HALYCHYNA in Ukrainian 6 Jun 96 p 2

[Interview with Ukraine Deputy Prime Minister Anatoliy Kinakh, by Bohdan Hnatovskyy; place and date not given: "We Need Accurate, Professional, and Hard Work"]

[FBIS Translated Text] Recently, a representative commission of Ukraine's Cabinet of Ministers led by Deputy Prime Minister Anatoliy Kinakh visited Lvov Oblast. Our correspondent asked Mr. Kinakh to comment on certain phenomena and events which occur in the political and economic life of the state.

[Hnatovskyy] Mr. Prime Minister, as we know, and this has been confirmed by Oblast State Administration Head Mykola Horyn, a number of high officials have visited Lvov Oblast in recent years. They certainly learned about the situation and agreed with remarks and complaints expressed in the course of meetings with the administration and economic representatives. There were plenty of promises. However, those visits resulted in nothing. Is it possible that also your visit will produce no results?

[Kinakh] Obviously, I cannot be responsible for my predecessors' activities or promises made by certain ministers. Some of them are no longer in the Cabinet of Ministers. As for the current visit, I would like to point out that we have quite a precise aim. We are going to conduct activities in accordance with the schedule and with earlier developed plans at every enterprise. It is necessary to determine their prospects and efficiency in terms of restructuring, providing at the same time an objective assessment of the activities of both enterprise managers and specialists. Naturally, all this should be conducted on the basis of utter personal responsibility of all those who hold state posts. This problem should be handled by the Cabinet of Ministers.

[Hnatovskyy] Do you expect a really objective assessment?

[Kinakh] Yes, I expect that. However, to my great regret, practice shows that our bureaucratic apparatus is quite bulky; thus, many decisions which should be well-considered and made in a timely manner quite often wander in the corridors and offices of the Cabinet of Ministers' building, or fill drawers of unreliable officials of various ranks. For instance, industrial ministries have not realized yet that their primary task is not to govern, but to analyze functional-analytical problems and influence enterprises' productivity by applying the results of that analyses in the enterprises. This is the factor which indicates the effectiveness of the state administration structure.

[Hnatovskyy] You have met a great number of enterprise managers, including managers of the military-industrial complex of Lvov Oblast, which has been ruined. What are your conclusions?

[Kinakh] Generally, people understand the extraordinary nature of the situation. None of the managers asked explicit questions regarding the investment of working capital, the implementation of measures to freeze prices, or the like. It would be unrealistic. However, all the speakers expressed approximately similar ideas: Do not disturb our work, but create professional and sufficient rules for economic activities. We have all the rest. I cannot but agree with this. Particularly after we were shown the products of various enterprises which in their majority (beginning with buses and ending with sandals) are competitive both on the East European markets and beyond the Urals.

[Hnatovskyy] All this happens when heavy predatory taxes hang above enterprises like the sword of Damocles, when the state takes 870 karbovantsi [K] out of every K1,000 earned. Probably, it would be difficult to find a similar example in the world.

[Kinakh] Yes. The managerial corps, which is like a buffer between enterprise employees and the state administration, can feel the pressure of their employees dissatisfied with the nonpayment of wages and inadequate social protection. They quite lawfully demand that a more flexible taxation system be introduced in the state and more funds for the development and renewal of production be at their disposal. In light of this, the Cabinet of Ministers is developing a number of projects to alleviate the tax burden. Obviously, it is necessary to take into account a proposal put forward by Vasyl Dzera, manager of the chemical-agricultural machine plant, who proposed that at least 10 percent of money earned be left at enterprises' disposal in the form of working capital. Other managers also have sound proposals. In light of this, the indignation over uncontrolled activities of the state structures, which exercise control over financial, economic, or any other activities of enterprises, are quite justifiable. Everything which distracts people from normal work should be removed.

[Hnatovskyy] The control bodies should work only within the law. Does the Cabinet of Ministers support this kind of status for the control bodies?

[Kinakh] Undoubtedly, we should follow the following principle: do not cause any harm. However, so to say, tax inspectorates attach more attention to those enterprises which strive to work within the law and observe the law. Unfortunately, control-review bodies, as well as tax inspectorates are very reluctant when it comes to working in the area of the shadow economy. This happens when almost 40 percent of tax revenues which should be allocated for the state's needs is wandering beyond the budget. This is the point on which we should concentrate all our efforts. The point is that by making efforts to squeeze out everything that is left for producers while not paying attention to the shadow sector, we are leading our economy into a deadlock. Meanwhile, the shadow sector profits from the situation. After "visits" by tax inspectors entrepreneurs get down on their knees, production stops; thus, taxes are not paid any longer. Who needs this kind of tax service then?

[Hnatovskyy] The process of demonopolization and privatization, although not without difficulties, is approaching the primary stage when large enterprises will be involved in it. How, in your opinion, will the situation change in the post-privatization period?

[Kinakh] The problem of governing the privatized, as well as state-run enterprises is of a multifold nature. Naturally, the state, having the majority stake, should not perform governing functions, perhaps except for some military-industrial complex enterprises. The point is that privatization is not an aim in itself, but a way of looking for a more effective owner. In connection with this, a new task emerges, which unfortunately so far has not been outlined clearly enough. Namely, the coordination and regulation of enterprises' activities in the post-privatization period. What has been changed in enterprises' activities, how do they serve Ukraine's interests, and to what degree are their products competitive? The point is that the primary task is not to prepare and implement changes in the forms of ownership, but to ensure further functioning of an entity as part of the entire economy. Therefore, the state has to develop a clear normative situation and sectoral ministries should transform themselves into functional administrative bodies, obviously after determining priorities in particular sectors' development.

[Hnatovskyy] Perhaps you know that according to the World Bank, in countries which are going through political and economic crises, and where governments have no support [from society], gradual reforms are not the best ones.

[Kinakh] I respect the World Bank's recommendations. At the same time, I would like to point out that Ukraine is not Chili, Argentina, or Bulgaria. We have a complex of problems which are much more complicated than in any of the aforementioned countries. We inherited a specific type of economy in which over 70 percent of enterprises produced means of production and not consumer goods. Only 20 percent of our enterprises work on a closed circle basis, while the others are based on imported raw materials, which we used to obtain from contractors from the former Soviet republics. Therefore, when we talk about the pace of reforms and about confidence in the government, we have to primarily take into account the fact that reforms should be conducted in a complex manner. We should take into account changes in the structure of the government, taxation, financial, customs, credit systems, and the like. First, all this should be ensured by enforceable acts; second, it should be supported by the people who understand the sense of the administration's activities, who know what kind of results they expect, and based on this, either support or do not support reforms. However, to achieve this, we need a firm political will and at least a minimum of political and social stability. I am convinced that here in Ukraine we have these components; therefore, we should not make revolutionary spurts which would have been justifiable at the beginning of establishing our statehood — in 1990-1991. Currently, as has been already determined, due to the irreversibility of market reforms, we need accurate, professional, and hard work. However, we should take into account the fact that Ukraine should maximally use its entire potential, and at the same time to develop and accumulate this potential during the course of creating a market economy. Currently we should speak about quality and not about the pace.

[Hnatovskyy] The last question. Mr. Kinakh, what is your attitude to Yevhen Marchuk's removal from the prime minister's post? [Kinakh] Generally speaking, edicts issued by the president should not be commented on. They ought to be carried out. As for my personal opinion, I think that this decision was quite well-considered. It was well-considered in view of the peculiar nature of the current period, when there is an extreme need to increase the effectiveness of the government's activities, based on personal responsibility, on a clear-cut administrative system, and closer ties with regions. Therefore, the president's decision was quite logical and timely.

Economic Issues

Ukraine: Kuchma Announces Introduction of New Currency 'This Year'

AU1906120096 Kiev HOLOS UKRAYINY in Ukrainian 18 Jun 96 p 1

[Unattributed report: "Will the Hryvnya Soon Descend on Us?"]

[FBIS Translated Text] Ukraine's national currency — the hryvnya — will be introduced this year, said Ukrainian President Leonid Kuchma on Friday during a visit to the collective agricultural enterprise Malynske in Zhytomyr Oblast. In a conversation with enterprise workers, the president stressed that the monetary reform will not include confiscations. "We will introduce the hryvnya in such a way as to keep it from turning into nothing more than a piece of paper," he said.

In an interview with journalists, L. Kuchma stressed that the nonpayment problem needs to be resolved prior to introducing the hryvnya. Presidential aide Valeriy Lytvytskyy stated in an interview for the INTERFAX-UKRAYINA Agency that conditions are favorable for monetary reform. Among those conditions, he mentioned price stabilization and a slowdown in the decline in industrial production.

At the same time, it is first necessary to resolve the problem of budget indebtedness and of replenishment of the stabilization fund, the INTERFAX-UKRAYINA Agency reports.

Ukraine: Lazarenko Aims To Replenish Budget, Pay Wage Arrears

AU1806204096 Kiev URYADOVYY KURYER in Ukrainian 15 Jun 96 p 3

[URYADOVYY KURYER report: "The Government Will Not Allow Inflation To Intensify Further"]

[FBIS Translated Text] Yesterday [14 June], Prime Minister Pavlo Lazarenko spoke before the audience of the State Administration Academy Management Development Institute subordinated to the Ukrainian president.

The prime minister dwelt in detail on the government's current economic policy. He underscored the continuation of the course of reforms and structural changes in the economy that were announced by the Ukrainian president. P. Lazarenko also stressed the need to proceed from statements on conducting reforms to their concrete implementation.

The prime minister considers the replenishment of budgets at all levels as the main trends of economic policy. Over the last two years, the state budget has remained disbalanced. It does not take into account the budgetary sphere's indebtedness with regard to payments of 1995 that need to be serviced. As of 1 June, the wage arrears in the budget sphere reached 43 trillion karbovantsi [K] and totaled K242 trillion in the national economy as a whole. Advance discount payments for electricity consumed remain uncertain.

The government is taking measures to reduce the number of officials at ministries and departments, local administrations, and the Cabinet of Ministers apparatus, as well as some outlays to keep the management bodies.

Analyzing the possibilities of the revenue part of the budget, the prime minister pointed out that the National Bank credits for the first quarter have already been spent; receipts from selling securities will constitute K150 trillion; it is expected that K203 trillion will be obtained from external sources of financing, but work on attracting external funds needs to be improved. The government will only use nonemission sources and will not allow inflation to intensify.

Within two months, we may reduce the wage arrears, said the prime minister, and arrive at delays in wage payments of between 15 and 30 days. It is presently impossible to fully eliminate indebtedness if we use ways that do not create inflation. A mechanism has been worked out for paying vacation money and funds for children's stays in health resorts. The government will fulfill its obligations on the allocation of K7.5 trillion for textbooks for the new school year.

Protection and support for Ukrainian commodity producers is an important trend in the government's activity. For example, the production of vodka at Ukrainian enterprises has plunged to 7 percent of the 1993 level. According to the State Committee for Customs, the budget losses due to tax benefits have reached almost K140 trillion.

As of 1 June, the debtor indebtedness amounted to K4.5 quadrillion having grown by 48 percent over five months. The government is taking measures to overcome the crisis of payments. However, the main way is to restructure enterprises, put into effect the mechanism of bankruptcy, and halt individual workshops or enterprises.

The government intends to carry out privatization of individual enterprises to fit concrete investment projects. It is one of the ways of replenishing the state budget.

P. Lazarenko spoke about the work of the government on reforming the coal industry. Some coalmines will receive support through the Foundation of the Fuel and Energy Complex.

Individual enterprises in the branch, the prime minister said, supply coal to those commercial structures, which do not pay for the deliveries. In Luhansk Oblast alone, coal worth K21 trillion has been delivered in this way. We must put an end to such practices.

This year, the agro-industrial complex has experienced great difficulties due to adverse weather conditions, the head of the government said. However, the state will be able to purchase 5 million metric tons of grain. The government will procure funds for the fulfillment of the state order.

Ukraine: Hermanchuk Explains Reasons for Budget Deficit

AU1806180396 Lvov ZA VILNU UKRAYINU in Ukrainian 13 Jun 96 p 1

[Unattributed report: "The State Pocket Is Half-Empty"]

[FBIS Translated Text] **According to tentative estimates, over five months of 1996 the state and local budgets received 162 trillion karbovantsi [K] less, including K155 trillion for the state budget, said Ukraine's Finance Minister Petro Hermanchuk during Government Day at the Supreme Council.** According to him, the main reasons for the insufficient supply of funds are miscalculations in such sources of profit as the difference of prices of gas and rental payment for oil and natural gas, and also funds for the development of Fuel and Energy Complex into which just K5.2 trillion out of K107 trillion has by now been channeled. Petro Hermanchuk pointed out that the government had specified three sources of financing the budget deficit: External assistance worth K204 trillion; government securities — K150 trillion; and Ukraine's National Bank credits — K107 trillion. Petro Hermanchuk said that since the beginning of 1996 the debt of enterprises to the budget, including installments to the Pension Fund, has grown by K128 trillion, or more than double.

Belarus

Belarus: Lukashenka Integration Interview

WS1806145496 Minsk RESPUBLIKA in Russian 11 Jun 96 pp 5,6

[Interview with Belarusian President Alyaksandr Lukashenka by V. Silin from PROBLEMYTEORII I PRAKTIKI UPRAVLENIYA magazine and V. Vyalichka from BELARUSKAYA DUMKA magazine; place and date not given: "Alyaksandr Lukashenka: 'The Integration Policy of Belarus and Russia Has Already Gripped Minds of Millions and Cannot Be Reversed'"]

[FBIS Translated Text] [Correspondents] Let us, Alyaksandr Ryhoravich [Lukashenka] thank you for the opportunity to receive first-hand information, particularly on such an urgent and pressing issue as the Belarusian-Russian integration which is assuming realistic contours thanks to efforts being put forth by the leaders of the two Slavic states.

[Lukashenka] I am least of all inclined to credit me or Boris Yeltsin for that, although, of course, many things here depend on the realistic positions of the two presidents, who take into consideration the innermost thoughts and desires of their nations. History has united Belarusians and Russians for good, not just for a year or two....

[Correspondents] As is known, you are not satisfied with the pace of integration among CIS countries. What do you think prevents a quicker implementation of the course toward deepening this integration?

[Lukashenka] Sure enough, it is early to talk right now about a satisfactory pace of integration among CIS states. We are clearly witnessing a stalled process and marking time. This hurts primarily ordinary people. Truth be told, their pressure caused recently some positive tendencies in this process.

One should say that from the outset, the Commonwealth of Independent States was developing in an inconsistent and controversial manner. The situation in this formation is still quite complicated and unclear. At first, many people had a euphoric perception that the CIS would very soon manage to resolve the problem of economic re-integration. The euphoria gradually wore off, and many clear-thinking politicians came to realize that the development of integration processes is a serious work supported by the political will to achieve the planned goal. But it took very long — and I agree with you on that — to realize this fact, and different states came to understand this at different times.

Finally, if the enlightenment has not come yet, it will definitely do so very soon. Economic integration is not someone's whim, but the behest of the times, a vital need of all post-soviet republics. On the other hand, integration requires a huge cost in mental and physical strength to work out in detail mutually acceptable decisions on political and economic problems. Only a course that considers the realities of life, the ones that can be practically implemented and not just declared, is genuinely effective.

Whatever arrant political adventurists may say, all of us lived in what may now be called an economic union. After the collapse of the Soviet Union, we lost the most important thing, the markets. Enterprises are overstocked, and they have nowhere to sell the machines, lathes, and textile products that they produce. The five years that elapsed after the civilized "divorce" convinced us that no one on the international marketplace is waiting for post-soviet republics with their uncompetitive products, and that we were actually once created as a single economic system. This organism fell sick right after some of its parts were removed. Gone are the illusions that it would be easier resolving all problems on one's own and that becoming a member of the international community would be rapid. A tendency has started to evolve toward a new type of voluntary integration....

At the same time, I would like to note that the experience that we acquired in developing close economic cooperation among CIS countries shows that a sheer concluding of agreements and treaties cannot ensure a full-fledged integration process. Its efficient progress is still affected by personal ambitions and subjective factors which in certain places have become [someone's] absolute will. This reflects on normal market relations....

Cooperation links are also hampered by the different pace of reforms and the growing difference in levels and conditions of socioeconomic development, national economic laws, and mechanisms of economic management.

In this situation, creation of the material basis of the integration process is becoming particularly significant. A major role should be played here by international formations in key industrial branches, especially financial-industrial groups. Work was expedited to establish such groups with the participation of Belarusian enterprises operating in chemical, oil-processing, and other industries...

Life has shown that the road to a realistic and efficient integration union, advantageous both for Belarus and its partners, is difficult. For various reasons, CIS countries are moving toward integration at differing speed and with differing resolve.

This is why we at first we had to establish closer economic relations with several, most prepared,countries, primarily with Russia and Kazakhstan. Much effort has been invested in creating a trilateral customs union. In January 1995, Belarus and Russia signed an agreement to establish this kind of union, which was later joined by Kazakhstan.

Notably, words were immediately followed by deeds this time. For example, Belarus trade with Russia was freed from tariff and non-tariff limitations. Customs control was lifted on the Belarusian-Russian border in May, and the two countries agreed to lower export duties in September....

We realize that while deepening business cooperation, one should constantly compare the anticipated result with the prices that one would have to pay for any integration decision. This cooperation requires a pragmatic approach ruling out unjustified hastiness and, at the same time, encouraging active involvement where the need for integration has ripened.

In this context, the national and state interests of the Belarusian Republic and the Russian Federation have clearly crystallized. One should say straightforwardly that relations that are evolving between the two fraternal countries are the most advanced version of economic integration. Actually, it could not have been different, as too many things connect us, and the roots of our cooperation and Slavic unity lie too deep.

The expansion of cooperation will not impact only the production sphere. It will also cover such a promising field as telecommunications. If combined, they could let our country, situated in the center of Europe, carry the information running to and from the West, Scandinavia, and Southeast Asia.

In addition, fundamental and applied scientific research will get its second wind. After the USSR collapsed, research halted because of a lack of demand in Belarus. Now, we will be able to combine the powerful scientific potential of the two states to develop advanced technologies that will work for the future, our children, and grandchildren.

Friendship and cooperation with the Russian people are our strategy, based on people's will. In the 14 May 1994 referendum, more than 82 percent of its participants answered "yes" to the question whether they support actions by the Belarusian president aimed at economic integration with Russia. The Belarusian people attach special importance to developing comprehensive ties with Russia. Those relations are not based on the now antiquated "elder" and "younger" brother system. The modern, tight Belarusian-Russian cooperation is determined by the understanding of political, economic, social, and cultural interests cemented by a common historical foundation.

This is not an emotional impulse or political adventurism. Life itself pushes our two nations toward integration and forging a strong economic union. It has become obvious today that Belarus needs Russia, and Russia needs Belarus. And such an economic union suits the vital interests of the both states. The desire of the Belarusian and Russian people for unity is dictated not only by historical necessity, common fate, and spiritual closeness, but also by clearly determined economic needs, particularly the mutual dependence of Belarusian and Russian economies.

The creation of this union will be determined by close economic, political, and spiritual links. At the same time, as we have agreed with Boris Yeltsin, statehood and sovereignty will remain intact. These are the values that will stay with us forever.

A mechanism of creating a Belarusian-Russian economic union was examined in detail last fall in Sochi. So, the signing of documents in Moscow was not an instantaneous action. The union idea had been entertained with for quite a long time. And it has acquired practical meaning now.

Also successful were preparations and the signing, on 2 April, of the sweeping treaty on creating the Community of Sovereign States which defined principles and basic directions of the Belarusian-Russian rapprochement. The treaty has become a truly historic event. It testifies to the breakthrough in all cooperation spheres. The integration policy of the two states has gripped the minds of millions and cannot be reversed. I trust that sooner or later other CIS countries also will join. They increasingly feel the need for such unity. After all, it is only by cooperating together that we can resuscitate the crippled economy and save science, culture, education, and health care from degrading. As a result, we would much faster overcome the crisis, become wealthier, and — I hope — find more partners in the West which respect the strong and independent.

[Correspondents] What do you think about supranational coordinating bodies, and what, in your opinion, is their role in governing the Community?

[Lukashenka] That they are necessary is an unquestionable fact. But it is a different thing what forms they may assume. In compliance with the treaty, the highest body of the Community is the Higher Council, comprising heads of states and governments, chairmen of parliaments of member countries, and chairman of the Executive Committee. The Higher Council is also responsible for resolving the most important problems facing the Community, as well as overseeing implementation of previously made decisions.

The practical implementation of the treaty is the responsibility of the Executive Committee, whose chairman is elected on a rotating basis for two years.

The sides will also establish a Parliamentary Assembly whose members are equal. It is necessary to adopt model legislative acts.

I think that while creating common governing bodies, we should more actively use the positive experience of the European Union, which has different governing bodies.

[Correspondents] To form a single economic zone, we should ensure equal conditions for economic entities. How much does the national economy model that Belarus has chosen correspond with this requirement?

[Lukashenka] It perfectly corresponds not only in theory, but also in practice. Let me explain this more specifically.

From my point of view, the social market model of a social system is the most acceptable model for Belarus. It combines the best features of the classic liberal and state socialism models. Its material basis is a socially oriented mixed economy combining private, public-cooperative, and state regulating mechanisms. This is an economy that ensures a strong state social policy. This model fully complies with the industrious and exploitation-free Belarusian way of life, our people's mentality, traditions, and faithfulness to such ideals as equality, happiness, and justice. This is why it is quite natural that such a development scenario corresponds with the requirement to provide equal opportunities for economic entities which are necessary for establishing a single economic zone.

We proceed from the assumption that the transition to this kind of society is a complex socioeconomic process. It cannot be completed in one fell swoop. This is why we chose a well-considered and gradual transition to an economy of this type. We are trying to conduct reforms in a consistent and comprehensive way, avoiding the mistakes that were made in other countries, including Russia.

As for foreign policy, we believe that it should be balanced as well. The multi-directional and pragmatic nature of relations with other countries best agrees with Belarusian statehood. It is exactly this approach to creating the foreign strategy of our state that is supported by many republics. We are open for business and investments from both East and West. Belarusian efforts in the sphere of foreign politics are evenly distributed in all directions.

Due to the specific nature of its economy, the Belarusian Republic needs to develop integration processes with foreign and CIS countries, particularly with Russia. The Russian integration vector is presently a vitally important and priority direction for our economy.

I have already mentioned the integration process currently in progress between our states.

To deepen and develop them even further, the following principles are, in my opinion, necessary:

— creation of a common economic zone based on market relations and the maximum openness of our economies to external links;

— provision of equal opportunities and guarantees for all participants of inter-state economic relations based on the mutual conformity of their national laws;

— use of a free pricing mechanism while still retaining state control over prices for strategic resources and some critical types of production;

— implementation of coordinated budget, tax, money, and currency policies, as well as the policy in the sphere of state regulation of interstate deliveries of goods and resources;

— creation of a payments union to improve interstate payments;

— equal economic investment opportunities.

All these principles are at various stages of implementation. They are written into documents signed by Belarusian and Russian governments, stepping up the Belarusian-Russian cooperation.

As part of implementation of the already concluded accords, a range of measures aimed at ensuring equal opportunities for economic entities have been conducted:

— tariff and quantitative restrictions in mutual trade are lifted;

— normative acts on the tariff and non-tariff regulation of trade, as well as excise tax on goods imported by Belarus and Russia are brought into conformity;

— full agreement has been reached regarding the trade of both states with third countries;

— general regulations have been determined on jointly maintaining customs statistics records on foreign trade, as well as procedures for handling goods subject to excise tax;

— approaches have been coordinated to distributing and sending to relevant Belarusian and Russian budgets revenue from export duties imposed on products made by Belarusain enterprises of Russian raw materials, and other measures.

An agreement on settlement of mutual financial claims, signed in Moscow, is particularly important for ensuring equal opportunities for economic entities.

This was a mutually beneficial decision, and not a Russian gift for Belarus, or vice versa. The agreement will take the tax burden off the enterprises' shoulders.

[Correspondents] It would be interesting, Alyaksandr Ryhoravich, to learn about your assessment of the present condition of Belarusian-Russian cooperation.

[Lukashenka] Historically, Russia has always been our biggest economic and trade partner. Its share in the Belarusian foreign trade is 55.5 percent and in trade with CIS countries — 85.6 percent. On the other hand, 47 percent of Belarusian goods are exported to Russia.

It should be noted that creation of the customs union and removal of customs duties on exported and imported goods had a positive impact on the trade between our countries.

The main indicators of our trade and economic cooperation are determined by inter-governmental agreements and directed at coordinating economic reforms and creating more favorable conditions for economic entities.

Our countries have concluded three agreements on giving Belarus technical credits.

Measures are being undertaken to develop direct links between neighboring oblasts and entire regions.

We are strengthening the multi-faceted cooperation with the Russian north and Siberia — the regions shipping oil to Belarus. Thousands of Belarusians live there and work hand in hand with Russians. During my visit to Nizhnevartovsk, we agreed to deliver there a wide range of consumer products made by Belarusian enterprises.

[Correspondents] What prospects do you see for the development of Belarusian-Russian relations, as well as the relations among CIS countries?

[Lukashenka] Promising. The whole world is moving toward integration. On the eve of the 21st century, it is becoming global, and we have no moral right to stay away from the mainstream of human development.

I would rather not try to predict in what form the unification of a post-soviet republic will happen. Perhaps it will be something resembling the EU. Whatever the case, rapprochement among our nations is inevitable, if their leaders wish quick prosperity and well-being for them.

There are no obstacles for new states to join the Belarusian- Russian economic union. The door is open. Welcome.

Belarus: Officials Cited on Deadlines for Nuclear Weapons Withdrawal

WS1906091396 Minsk BELAPAN in English 0707 GMT 19 Jun 96

[FBIS Transcribed Text] Minsk, June 18 — "The Belarusian former Supreme Soviet chairman and former prime minister said that the missiles were to have been withdrawn by the end of 1996, but the actual written schedule envisages withdrawal before the end of 1997," Valeryy Tsepkala, Belarusian First Deputy Foreign Minister, said in an interview which was published in the June 18 edition of the Belarusian Popular Front's newspaper SVABODA. The new deadline given by Mr Tsepkala was never mentioned by Belarusian officials before. Unfortunately the deputy foreign minister did not explain where that "written schedule" could be seen.

In an interview with a BELAPAN correspondent Mikalay Lyapeshka, Chief of the Department for International Security and Disarmament at the Belarusian Ministry of Foreign Affairs, said that discrepant information about the period of the withdrawal can be explained by the fact that there are several agreements (international and bilateral with Russia) stipulating the withdrawal of Russian Strategic Rocket Forces units from the Belarusian territory. According to the international agreements, Russia is to withdraw its units before the end of this year. This document was signed in September 1993. In December 1995, at a joint session of the Belarusian and Russian defence ministries in Minsk, it was announced that the units would be withdrawn as early as before the winter weather sets in. Nevertheless, according to Belarus' international commitments, in particular the Lisbon Protocol to the Strategic Arms Reduction Treaty (START), the withdrawal was to be carried out within 7 years and completed in 1998. About three years ago Russia and Belarus agreed to reduce this period by two years.

Answering a BELAPAN correspondent question as to whether the withdrawal is coming according to schedule now Mr Lyapeshka said, "On the whole the schedule is being observed."

Belarus: Ukrainian Nationalists Step Up Anti-Russian Actions

MM1806131396 Moscow RABOCHAYA TRIBUNA in Russian 18 Jun 96 p 1

[Report by Yevgeniy Antonov: "Opponents of Fraternal Peoples' Integration Prepare Napalm for Belarus"]

[FBIS Translated Text] Minsk — Ukrainian extremists from the Ukrainian National Assembly-Ukrainian People's Self-Defense [UNA-UNSO] organization, who have experience of the war "against Russia" in the Dniester Region, Abkhazia, and Chechnya, seem to have decided to apply that experience in Belarus. They first demonstrated their strength in Minsk 26 April, when they joined their confederates from the Belarusian People's Front in fierce street clashes, throwing sticks and stones at local OMON [Special Purpose Police Detachment] personnel and policemen, overturning and wrecking automobiles.

Admittedly, not all the thugs reached the Belarusian capital then: It proved possible to get many of them — including two Ukrainian parliamentary deputies — off the train and send them back. Some of those who got to Minsk were arrested after the disturbances there, and seven are now under investigation. And while the "world public" — along with local nationalists, who caused more chaos outside the Presidential Staff building on this occasion involving a fistfight and bloodshed — is demanding their release, detachments of homegrown thugs seem to be hastily being set up in Minsk. The documents, pamphlets, proclamations, and instructions with which UNA-UNSO envoys have supplied their Belarusian charges are well known. One of these works, entitled "Fight Against the Administration of Occupation" (For that read: the legitimate authorities), is effectively a manual for terrorists. It contains advice on how to set up combat squads and how to get hold of weapons and mount combat operations. It even provides instructions on how to manufacture napalm, which "sticks to vertical surfaces, sets fire to asphalt, and burns sheet metal."

The conclusion of the Belarusian-Russian treaty seems to be spurring on the opponents of integration to more resolute action. But it is bad to joke with Russia, and small Belarus.... During a recent meeting in Ivanovo-Frankovsk of the leaders of such organizations as "The Trident of Stepan Bender," the Ukrainian Republican Party, and so on, UNA-UNSO leader Korchinskiy said: "Better for there to be war in Chechnya and Belarus than in Kiev.... The main battle line for Ukrainian independence now runs through Belarus."

It is not so much the effrontery characteristic of all radicals, but the tacit or often blatant outside support that enables irresponsible people to flaunt their plans aimed at destabilizing good neighborly relations. That is why people in Belarus are talking increasingly frequently and loudly of the need to adopt stricter laws against extremist and extreme right-wing organizations.

Belarus: Politicians Criticize Persecution of Mass Media

WS1806123496 Minsk BELORUSSKAYA DELOVAYA GAZETA in Russian 13 Jun 96 p 3

[Commentaries by Alyaksandr Dabravolskiy, chairman of the Belarusian Supreme Soviet Standing Subcommission for the Mass Media; Myachaslaw Hryb, member of the "Unity of Labor" Social-Democratic faction; Stanislaw Bahdankevich, head of the "Civic Action" faction: and member of the Communists' faction Valeriy Shchukin: "Legislators Consider the Closure of Newspapers Unacceptable"]

[FBIS Translated Text] **Alyaksandr Dabravolskiy, chairman of the Belarusian Supreme Soviet Standing Subcommission for Mass Media:** "Those who initiated the persecution of BELORUSSKAYA DELOVAYA GAZETA can provide some formal reasons and minor arguments for doing so. In essence, however, this implies an open oppression of independent mass media for its criticism of our authorities. Perhaps certain representatives of power assessed this criticism as harmful because BELORUSSKAYA DELOVAYA GAZETA always made the people ponder where the government's economic policy was leading them to. I think that your newspaper's independent stance was very inconvenient for the powers-that-be. I believe that deputies, members of the Supreme Soviet Subcommmission for Human Rights, will not specifically support BELORUSSKAYA DELOVAYA GAZETA (the newspaper is supported by its readers), but will support the freedom of speech."

Myachaslaw Hryb, member of the "Labor Unity" Social-Democratic faction: "In Belarus, all mass media are subject to strict state censorship. Of course, this contradicts both the law on printing and the Constitution, which guarantee our citizens a right to obtain objective and reliable information. I think that an attempt to close BELORUSSKAYA DELOVAYA GAZETA cannot be regarded as the best measure by the incumbent authorities. The more they would like to control and persecute independent publications, the more severe the mass media's criticism will be. One should not be afraid of the mass media and of critical articles. Persecutions will lead to nowhere. Such activities will primarily affect the authorities themselves."

Stanislaw Bahdankevich, head of the "Civic Action" faction: "BELORUSSKAYA DELOVAYA GAZETA is one of the most objective, analytical, and influential newspapers. Beyond any doubt, any power needs it if it cares about the people and the economy. It is stupid to ban such publications. Yes, it has not always been a convenient newspaper because it called things by their real names. Of course, it is necessary to create a common opinion, but one must not forget that a full like-mindedness can only exist in the cemetery."

Member of the Communists' faction Valeriy Shchukin: "It is inadmissible to close newspapers. If even our party comes to power, we will never choose the path of banning independent mass media. Everyone has the right to criticize. I, myself, have often criticized capitalists, and there is nothing terrible in capitalists criticizing me."

Tajikistan

Tajikistan: Opposition Claims Russians Poisoned Islamic Movement Member

LD1806120696 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 18 Jun 96

[FBIS Translated Text] The people of Badakhshan [Gorno-Badakhshan autonomous region, eastern Tajikistan] and all liberty-loving people of the country have bid farewell to a commander of the Islamic Movement of Tajikistan in Badakhshan, Majnun Pallazoda. He passed away after a serious illness in Khorog, the center of the region, two days ago.

According to a report obtained by a Radio Voice of Free Tajikistan correspondent in Badakhshan, Majnun Pallazoda was 36 at the time of his death. He was born in Rushan district [Gorno-Badakhshan] and for many years lived in Qumsangir district [Khoatlon region, southern Tajikistan].

During the conflicts in the land of Vakhsh [near Kurgan-Tyube, southern Tajikistan, in the 1992-93 civil war] he belonged to a group fighting against the communist forces. After [Tajik President Emomali] Rakhmanov's government took office [November 1992] he returned to his birthplace and started the struggle under the banner of the Islamic Movement of Tajikistan. Commander Majnun lost one eye and both hands during clashes with regime forces in 1993, but he did not give up the struggle, our correspondent noted.

A correspondent for Radio Voice of Tajikistan in Badakhshan, citing a fact gained from reliable sources, has said that commander Majnun was invited by the chairman of the regional security committee to the headquarters of the Russian Border Troops and was poisoned there on 27 May. After the meeting with the border guards, Majnun Pallazoda was taken to hospital and died after 20 days.

Our correspondent says that this is not the only foul action by the Dushanbe regime's [Russian] protectors. Haji Abdurashid, a special representative of the Islamic Movement of Tajikistan in Badakhshan, was killed by this method earlier.

Tajikistan: Muslims Elect New Mufti To Replace Murdered Predecessor

LD1906113896 Moscow INTERFAX in English 0939 GMT 19 Jun 96

[FBIS Transcribed Text] Dushanbe, 19 Jun (INTERFAX) — The second congress of Tajik Muslims on Wednesday elected Amonullo Negmatzoda as their new mufti, or head of Tajik Muslims.

Negmatzoda, 55, was the only candidate and his nomination was unanimously approved by Muslim leaders.

Negmatzoda has been an imam and the head of the Mavlomo Yakubicharm mosque, the largest in Tajikistan, located in Dushanbe's Leninskiy district, eight kilometers east of the Tajik capital.

The new mufti is married and has two children. His predecessor, Fatkhullo Sharifzoda, was killed in his own home on 21 January. The attackers also killed his wife, son and other relatives.

Tajikistan: Socialist Party Set Up

LD1906105396 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 19 Jun 96

[FBIS Translated Text] The founding conference of the Socialist Party of Tajikistan has been held in Khodzhent. The new party has proclaimed itself to be a supporter of the poor in Tajikistan. The Socialist Party of Tajikistan will function under the chairmanship of Mohiniso Oripova. As is known, most political parties describe themselves in their programs as supporters of the poor. Among them the communists of Tajikistan, who are trying to use the present situation in the republic for their own benefit.

Armenia

Armenia: President's Contacts in Greece, Agreements Reported

NC1806210896 Yerevan Armenia's Radio First Program Network in Armenian 1900 GMT 18 Jun 96

[FBIS Translated Text] The Armenian president's official visit to Greece is continuing. He laid a wreath at the tomb of the unknown soldier this morning. Members of the Armenian delegation also attended the ceremony.

Levon Ter-Petrosyan was then received by Kaklamanis, president of the Greek Chamber of Deputies. Armenian-Greek ties, especially matters relating to cooperation between the parliaments of the two countries, were examined during the meeting.

Kaklamanis handed the Armenian president a copy of the Greek Chamber of Deputies' resolution adopted in spring on the recognition of the 1915 Armenian genocide. Levon Ter-Petrosyan handed Kaklamanis an invitation from the Chairman of the National Assembly Babken Ararktsyan to visit Armenia.

Despite a tight official schedule, Levon Ter-Petrosyan and officials accompanying him had the opportunity to go sightseeing in Athens. They visited the Acropolis.

The Armenian president was then received by Mayor of Athens Dhimitrios Avramopoulos. In greeting the president and highly appraising his international political standing, he stressed that it is a great honor for him to receive such a prominent political figure and handed him the golden medal of Athens. In thanking him for the reception, Levon Ter-Petrosyan expressed satisfaction for the warm and sincere reception and emphasized that his present official visit will constitute a [word indistinct] for the development of multifaceted relations between the two nations. Our peoples are linked by a common history, ideals, and political interests. Our peoples have been fellow travelers throughout history and will remain so forever, stated Levon Ter-Petrosyan.

Within the context of the official visit, Armenian Defense Minister Vazgen Sargisyan held a meeting with Greek Defense Minister Yerasimos Arsenis. At the conclusion of the meeting, the sides signed a military cooperation agreement between the two countries.

An agreement between the Armenian and Greek Governments on cooperation in the field of tourism, an agreement between the Armenian Health Ministry and Greek Health and Welfare Ministry on cooperation in the health field for the years 1996-2000, an agreement between the Armenian and Greek Governments on international passenger and road transportation, and a cooperation agreement between the Armenian Interior Ministry and Greek Public Order Ministry were signed.

The Armenian president's official visit to Greece is continuing.

Armenia: IMF Satisfied With Armenia's Economic Development

LD1906115596 Moscow INTERFAX in English 1013 GMT 19 Jun 96

[FBIS Transcribed Text] YEREVAN, June 19 (Interfax) — International Monetary Fund (IMF) representative in Armenia Susan Johnes told a news conference in Yerevan Wednesday she is satisfied with the economic progress of Armenia, which has managed to lower inflation and stabilize the national currency in the past two years.

"The Armenian economic situation looks better than that in other Commonwealth member-states," she said.

Armenian economic growth reached 7 percent in May, and experts forecast a 5-6 percent growth late this year. Johnes thinks the annual inflation rate will not exceed 6.9 percent in 1996.

She praised the Armenian economic reforms and the role of the privatization program. Johnes refuted accusations claiming that the IMF dictates conditions to the Armenian government. Being an international organization, the IMF does not interfere in politics but renders assistance, she said.

The IMF official reminded correspondents about the ESAF credit worth $148 million issued by the IMF to Armenia in February 1996 for three years with an annual interest rate of 0.5 percent, which will "replenish the Armenian stock of hard currency and stabilize its balance of payments."

The first tranche of the credit, worth $25 million, was received by Armenia in February, the second tranche ($24 million) will be issued in late September. The credit has nothing to do with the Armenian presidential elections scheduled for September, she said.

Armenia: Economic Review on Investment, Privatization, Prices

NC1906115496 Yerevan NOYAN TAPAN in English 1100 GMT 19 Jun 96

[ECONOMIC REVIEW (JUNE 9-16) by Anahit Khachatryan—NOYAN TAPAN headline]

[FBIS Transcribed Text] Yerevan, June 18 (NOYAN TAPAN)—NATIONAL CURRENCY: For the sixth week in a row the dollar rate is rising on the Armenian market. In the currency exchange offices one dollar is bought for 409 drams and sold for 412 (average 411). This gradual rise of dollar quotation along with the inflation rate is more indicative of the fact that our national currency has stable and strong positions, than simply the aspiration to maintain a flat exchange rate. The record-breaking point of 435 drams for 1 dollar (April 1994) is still far away and the dollar rate may stay below this level until the end of the year. In order for this to happen, it is necessary that in the course of the remaining six months of the year the dram devalued at 1 percent per month rate, whereas up to now this rate has never exceeded 0.5 percent.

The dram rate against Russian rubles stayed the same: 1000 Russian rubles for 78 drams, or 1 dram for 12.8 rubles. Under these conditions the profitability of cross-rate transactions dram-dollar and dram-ruble-dollar reaches 3.3%.

During the week in question the sales held at Yerevan and Gyumri stock exchanges yielded 366 thousand dollars sold which is 173 thousand less than the week before. After a long break during the week the Yerevan Stock Exchange sold 20 million Russian rubles. The flat exchange rate set by the Central Bank as a result of the sales held on Friday was 410.5 drams for 1 US dollar, which is 2 dram higher than the previous indicator.

CONSUMER PRICES: The NT-16 index of consumer prices calculated for 16 basic food products included in the living wage consumer budget at the end of the week in question was 0.980 against 0.930 of the previous week.

At the end of the week the cost of the living wage consumer basket was equal to 15.3 thousand drams per month per capita (37.3 USD). The cost of the whole consumer budget was 23.5 thousand drams (57.3 USD). Thus, for the week in question the cost of the living wage consumer budget had dropped from 23.7 thousand to 23.5 thousand drams (from 57.7 to 57.3 USD) or by 3.4 percent.

AGRICULTURE: According to information provided by the Department of Land Development of the Agriculture Ministry, as of June 14, spring sawing of fodder crops was completed in the Republic on total area of 33,729 hectares (ha). (out of the planned 43,650 ha.). This is 1508 ha. less as compared with the same period of the last year. At the same time, this year 1491 ha. more of potatoes and 1376 ha. more of vegetables have been sawn in the Republic.

PRIVATIZATION: June 10 was the deadline for free subscription to the shares of a group of seven enterprises. This was the first group after more than a two-month-long break. This was followed by increase in activeness on the voucher market - before the end of the week in question the price of privatization certificate rose from 3500 to 4000 drams or by 14 percent. This rise continues in the first days of this week indicating that it is supported not only by the privatization acts held, but anticipation of new enterprises to be offered for privatization which is widely publicized by the Government.

INVESTMENT ACTIVENESS: During the week investment activeness started to rise after a prolonged recession period. The index calculated by the "Hrand" brokerage company rose by 1.24 points to 9.28.

Azerbaijan

Azerbaijan: Russian Duma Speaker Gives News Conference

NC1406143696 Baku TURAN in English
0543 GMT 14 Jun 96

["Gennadiy Seleznev: 'I Consider Zoriy Balayan To Be One of Culprits of the Karabakh Conflict'"— TURAN headline]

[FBIS Transcribed Text] Baku/13.06.96/TURAN—Last evening in Baku there was the press-conference of the speaker of Russian Duma, Gennadiy Seleznev, who participates in work of Parliamentary Assembly of Black Sea Economic Cooperation (PABSEC).

The press-conference took place after signing of communique on results of visit of Gennadiy Seleznev to Azerbaijan and on expanding and deepening of parliamentary relations between Russian Duma and Azerbaijan's Milli Mejlis.

"The reaction of many CIS-member states on the resolution of the Russian Duma to denounce the Belvezhskiy agreement has been a hasty one and some heads of states have issued negative statements on this issue having not familiarised with it", Seleznev said while answering the question on attitude towards this resolution in the CIS. "It is impossible to restore the USSR and the information that Communists plan to do that by force is absolutely false. We stand for centralized integration", Seleznev said.

The speaker of Azerbaijani Milli Mejlis, Rasul Guliyev, who also attended the press-conference, said Azeraijan's position to preservation of its independence remains unchangeable.

Asked about possibility of extradition of ex-President, Ayaz Mutalibov, to Azerbaijan, Seleznev said Baku has not presented sufficient arguments proving Mutalibov's guilt. If additional facts are submitted, Moscow can once again start consideration of this issue, he said. Seleznev also refuted the information that Russian delegation includes the members of the Commission on case of Ex- Defense Minister Rahim Gaziyev.

"Russia will make efforts to assist to peace resolvement of the Armenian-Azerbaijani conflict", Seleznev said asked about attitude towards the conflict between Armenia and Azerbaijan.

During the negotiations with President Aliyev, this problem has been discussed and the Russian Duma has its will to settle this problem in a civilized and peaceful way, Seleznev said.

"I consider publicist, Zoriy Balayan, to be one of culprits of the Karabakh conflict and that is why I refused to receive him despite numerous requests. The journalist must be sincere and honest, but not an instigator", Gennadiy Seleznev.

Azerbaijan: 'High-Ranking Source' Lauds Yeltsin Contribution to Reform

LD1806211796 Moscow INTERFAX in English 2017 GMT 18 Jun 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Azerbaijan supports democratic processes in Russia and highly assesses President Boris Yeltsin's personal contribution to the accomplishment of political and economic reforms, a high-ranking source in Azerbaijan's government told Interfax in Baku in comments on the preliminary results of the first round of presidential elections in Russia. "This is our official stand," he added.

"The road followed by Russia is irreversible, no matter who is finally elected president," the source said. Azerbaijan proceeds from the assumption that the policy of economic reforms and privatization pursued by the Russian leadership will be continued, he explained.

Official Baku believes that "no serious changes will occur in Russia's policy, no matter who comes to power in the country," he said.

Azerbaijan: Joint Oil Development With Russia, Turkmenistan Discussed

NC1706173896 Baku TURAN in English 1417 GMT 17 Jun 96

[FBIS Transcribed Text] Baku /17.06.96/ TURAN — "SOCAR [State Oil Company of Azerbaijan], Turkmenistan and LUKoil" will possibly conduct tripartite negotiations on joint development of "Kyapaz" oil-field, part of which is located in the Azeri section of the Caspian and another part in Turkmenistani section", vice president of "LUKoil" company, Vitaliy Lesnichni, told "Interfax" agency. He said for implementation of the project it is planned to create joint venture. Earlier first vice president of "LUKoil", Ravil Maganov, said that if the joint venture is created Russian company plans to control one third of its capital.

Azerbaijan: Parties Say U.S. Congress Violating International Norms

NC1506111696 Baku TURAN in English 0818 GMT 15 Jun 96

[FBIS Transcribed Text] Baku/14.06.96/TURAN—The Union of the parties of the Democratic orientation of Azerbaijan-Democratic Congress adopted a statement due to amendment of Porter. The statement, in particular, reads that the Democratic Congress condemns adoption of such decision by the U.S. Congress and considers it a violation of the international legal norms.

Such decision can be treated as protection of separatism. Moreover, the statement reads, this decision makes the Azeri-American relations in the future more complicated. The Democratic Congress states that in case, if Senate and the U.S. Government approve the amendment of Porter the Democratic Congress will demand from the leadership of Azerbaijan to revise the economic relations between Azerbaijan and America.

The House of Representatives June 11 has adopted the Fiscal Year 1997 Foreign Operations bill. According to this project next year the U.S. can deliver humanitarian help to Azerbaijan under the condition that the same help will be delivered to Nagorno-Karabakh in ratio 7:1. The amendment does not note the belonging of Nagorno-Karabakh to Azerbaijan.

Azerbaijan: Aliyev Limits 'Groundless' Economic Activities Inspections

NC1806173896 Baku TURAN in English 0643 GMT 18 Jun 96

[FBIS Transcribed Text] Baku /18.06.96/ TURAN — Yesterday President Aliyev signed the Decree to prohibit groundless inspections and to regulate state control in production, in sphere of service and financial-credit activities.

The necessity in the Decree has arisen due to numerous complaints due to groundless inspections in structures and organizations engaged in economic activities. Sometimes such inspections are carried out by the heads of controlling bodies and are aimed at enrichment, what puts subjective obstacles for overcoming of the economic crisis in the republic. In order to promote to creation and development of new economic relations in the republic irrespective of forms of property, it is necessary to create new legislative basis to regulate state control over production, sphere of service and financial-credit activities, the Decree reads.

In order to prevent undesirable factors negatively affecting the interests and activities of physical and juridical persons, Azeri President calls concrete measures, which must be taken in the effect.

In particular, from now on groundless inspections in the sphere of service, production and financial-credit activities are prohibited. Any audits and inventory by banks, bodies of administrative control and local bodies of power not stipulated by the legislation are prohibited. Within a month the Cabinet of Ministers is instructed to prepare the provision on rules of administrative control.

Several concrete measures are to be taken for aversion of violation of law by the Ministry of Finance, Senior Fiscal Department and National Bank while performing their commitments, including obligatory mutual coordination among the branches of controlling bodies. Once in three months the above-mentioned controlling bodies must present reports about number of inspections and their results to the Presidential administration. Within a month the Presidential administration is to give proposals to eliminate the negative factors by state controlling bodies and to protect the rights of citizens and juridical persons. The Decree stipulates all administrative and legal measures for implementation of this Decree.

The Decree has entered into force yesterday.

Georgia

Georgia: Shevardnadze Summons Nadibaidze Over Lebed Coup Claim

LD1906074496 Moscow INTERFAX in English
0628 GMT 19 Jun 96

[FBIS Transcribed Text] TBILISI, June 19 (Interfax) — Georgian Defense Minister Vardiko Nadibaidze was summoned by Georgian President Eduard Shevardnadze on Wednesday morning.

Observers in Tbilisi link this with the statement by Aleksandr Lebed, the secretary of the Russian Security Council and the Russian president's national security advisor, in an interview with the TV program Hero of the Day on NTV independent television, to the effect that Nadibaidze was with the Russian generals who plotted a coup after the resignation of Defense Minister Pavel Grachev.

Nadibaidze has denied all charges brought against him.

He told journalists upon his return to Tbilisi from Moscow that in Moscow he had conducted talks in the Russian General Staff on cooperation between the Georgian and Russian armed forces and that there was no talk about the resignation of Grachev.

"I could not and had no right to discuss the developments in Moscow, to say nothing of ways of influencing them," he said.

Meanwhile, the Georgian newspapers Wednesday are carrying reports that Nadibaidze, Grachev's "godfather", took part in voting in Moscow on June 16.

The Georgian Defense Ministry has neither confirmed nor denied this information. A Ministry spokesman said that only Nadibaidze could provide explanations on that issue.

Leader of Georgia's National Democratic Party Irina Sarishvili believes that Nadibaidze will be dismissed soon.

She told Interfax Wednesday that he will be dismissed not because of his proven guilt, but because of a new alignment of forces in the Russian leadership. "Nadibaidze, who has close and even 'family' ties with Grachev, may turn out to be an irritating factor for Moscow after Grachev's resignation," she said.

Georgia: 'Indignant Reaction' to Lebed Remarks About Coup

LD1806204696 Moscow NTV in Russian
1800 GMT 18 Jun 96

[Video report from the "Segodnya" newscast, presented by Mikhail Osokin]

[FBIS Translated Text] Meanwhile, there has been an immediate indignant reaction from the Georgian officials to some of [Aleksandr] Lebed's remarks. Our correspondent Vasiliy Borisov has just returned from the Georgian embassy.

[Begin recording] [Borisov] Aleksandr Lebed's words today that Georgian Defense Minister [Vardiko] Nadibaidze was present when the plan of a coup d'etat was discussed by a group of generals and former Defense Minister Pavel Grachev could have provoked a real diplomatic scandal. However, the Georgian top political leaders and officials regard the incident as just a misunderstanding. Nadibaidze has been in Moscow for the last five days and had official meetings with Grachev to discuss the plans for military- technical and military-political cooperation between Georgia and Russia.

The Georgian ambassador in Russia, Vazha Lorkipanidze, thinks that what happened was a strange coincidence. This afternoon he had a meeting at the embassy with Georgian Defense Minister Nadibaidze and what the minister said about Lebed did not differ from the official position of the Georgian side.

[Lorkipanidze] For me personally and for all of us, it was very unusual and very surprising. My official position, the official position of my state and the president is as follows: On the whole, in Georgia we have welcomed the appointment of Aleksandr Ivanovich Lebed as well as his impressive success in the elections. At present we are very concerned for Russia and for Boris Nikolayevich Yeltsin to win. [Georgian President] Eduard Amvrosiyevich [Shevardnadze] reiterated yesterday that Russia was choosing not so much the president as the state and social system.

[Borisov] Eduard Shevardnadze personally reaffirmed the official position of Tbilisi. He has sent a telegram to Aleksandr Lebed congratulating him on his new appointments.

Vasiliy Borisov and Dennis Kulyagin, NTV from Moscow. [end recording]

Georgia: Defense Minister's Involvement in Russian 'Plot' Denied

LD1906115696 Tbilisi IPRINDA in Russian 1100 GMT 19 Jun 96

[FBIS Translated Excerpt] Tbilisi, 19 Jun — According to a statement that General Aleksandr Lebed made in Moscow on 18 June, there had been a plot in Russia led by Pavel Grachev and involving, together with several Russian generals, Georgian Defense Minister Vardiko Nadibaidze. [passage omitted]

In an interview with an IPRINDA correspondent, First Deputy Defense Minister Guram Nikolaishvili [name and title as received], the head of the Georgian general staff, said that Gen. Lebed's statement about Nadibaidze's involvement in the plot did not correspond to reality. He also said that Nadibaidze did not intend to resign.

Georgia: Defense Minister Says Grachev Issue Russian Internal Affair

LD1806215296 Moscow ITAR-TASS World Service in Russian 2053 GMT 18 Jun 96

[By ITAR-TASS correspondent Tengiz Pachkoriya]

[FBIS Translated Text] Tbilisi, 19 Jun — "Pavel Grachev's resignation is Russia's internal affair and I do not intend to comment on President Boris Yeltsin's decision," Georgian Defense Minister Lieutenant General Vardiko Nadibaidze said after stepping on to the tarmac immediately after his arrival from Moscow. Nadibaidze said that in Moscow he had been discussing issues connected with specifying the timetable of the protocol of the documents on bilateral military cooperation. "For me, Grachev's resignation was unexpected. There were no indications that his resignation would follow soon," the Georgian defense minister explained.

Georgia: Report Details Trade Relations With Germany

AU1906114896 Tbilisi REZONANSI in Georgian 12 Jun 96 p 3

[Report by Dito Esakia: "Economic Relations Between the FRG and Georgia"]

[FBIS Translated Text] Germany views Georgia as an important trading partner among CIS states. In turn, Germany is Georgia's third most important economic partner after Turkey and Russia. Between 1992 and 1995, the total value of goods exchanged by these two states increased from 17 million German marks [DM] to DM60 million.

The most important goods imported by Germany from Georgia are copper, nickel, and their alloys (DM2.1 million); vegetables, canned fruit, and juices (DM1.4 million); and gold for industrial purposes (DM1.2 million). The principal goods imported from Germany are food products (DM17.3 million); electrical equipment (DM6.8 million); fine mechanical and optical goods (DM6.3 million); trucks and their spare parts (DM5.5 million); and mechanical installations (DM1.4 million).

The amount of capital investment in Georgia is gradually increasing, with most going to small enterprises producing tea and wine.

The following companies are active in Georgia: Siemens, Preussag, Teekanne, Sudmo, Schleicher, Pharmatec, and Gruppe Weiser. Deutsche Bank has a representation in Tbilisi for Georgia, Armenia, and Azerbaijan.

According to German business circles, there are prospects in Georgia for the processing of raw materials; the extraction of combustible materials (coal, copper, and manganese), gold, precious and semiprecious stones, marble, and granite; and the development and modernization of light industry, leather-processing enterprises, agriculture, and tourism. There are also good chances for the agricultural equipment, machine, shipbuilding, chemical (manufacture of fertilizers), and essential oil (oils, perfumes, extracts) industries.

Georgia: Abkhaz, Ossetian Refugees Being 'Chased' to Siberia

AU1806134796 Tbilisi REZONANSI in Georgian 13 Jun 96 p 2

[Report by Irma Malatsidze: "Georgian Refugees in Russia Are Being Chased To Siberia"]

[FBIS Translated Text] According to statistics, there are 108,000 forcibly displaced persons from Abkhazia and [South] Ossetia living in the Russian Federation.

Prof. Guram Sharadze has stated that they are living in the most difficult conditions. At the same time, they do not have refugee identity cards, as a result of which they are being robbed mercilessly by the Moscow police. According to him, in their attempts to obtain documents, they are being "ripped off" by those issuing passports or organizing the latter.

When asked by a REZONANSI correspondent according to what mechanism these people should be brought back to Georgia and their security strengthened, Guram Sharadze replied that he could not see any kind of mechanism or systematic program in place in Georgia. "Millions have been allocated in the budget to help the refugees, but people are lining their pockets at the expense of dead souls," he added.

However, Valeri Vashakidze, minister for refugees and resettlement, believes that it is possible to resettle these people, if they return to Georgia, but not in the big towns, which is what the majority wants. As regards the refugees' living conditions in Russia, the minister stated that there are conflicts between our citizens and the Federal [Immigration] Service. The latter is proposing their resettlement in various regions, but mainly in Siberia. The refugees want to live in Moscow and St. Petersburg. An agreement has been reached with A. Sobchak, the former mayor of St. Petersburg, according to which our citizens are not to be persecuted. However, in accordance with a decision by Luzhkov [mayor of Moscow], Moscow is to be considered a closed city.

V. Vashakidze: "I asked Regent [name as transliterated], head of the Russian Federal Immigration Service, that certain privileges be given to our people living on Russian territory and to Russian citizens living on Georgian territory. He rejected this proposal."

Estonia

Estonia: President, Premier Comment on Russian Election Results

LD1806202796 Tallinn TV-3 Television Network in Estonian 1730 GMT 18 Jun 96

[FBIS Translated Excerpt] Russian President Boris Yeltsin today appointed retired General Aleksandr Lebed to be his personal adviser on national security matters and leader of the National Security Council, while dismissing Defense Minister Pavel Grachev from his post. [passage omitted]

Estonian President Lennart Meri told TV-3 news today that he sees no danger to Estonian security in the alliance between Boris Yeltsin and Aleksandr Lebed.

[Begin Meri recording] We have to respect and we do respect the popular will expressed at any country's free elections. We have known President Yeltsin and his progress in politics up until now; we also know Gen. Lebed's energetic stand against the Afghan war; we also know that Gen. Lebed's political program stands for strict order in the country with complete freedom for economic development, and looking at it kindly one could view this even as a liberal world view.

I can see no danger in any kind of alliances. I can see that whatever coalition might emerge in Russia the kind of dialogue we will hold with one or another coalition will depend on Estonia's political wisdom. [end recording]

Prime Minister Tiit Vahi said that the outcome of the Russian presidential elections was to be expected and there has been no information reported to the world public of any kind of violation of the rules of democracy. Estonia will continue to pursue its present policy on Russia firmly in the future as well.

[Begin Vahi recording] I think that opportunities do exist to improve Estonian-Russian relations with Yeltsin and Chernomyrdin or their team, since we know the policy pursued by Yeltsin, Chernomyrdin, and their team's supporters; they have been implementing it in practice. I personally think that it would be possible to normalize our relations with them. As far as Zyuganov is concerned I am not saying that this would be impossible, either. Why? Zyuganov has been saying a great deal but we can adopt positions and viewpoints about his actual policies only once he has shown himself in practice. [end recording]

Estonia: Kuchma Sends Letter Praising Relations With Baltics

WS1906091896 Tallinn BNS in English 1900 GMT 18 Jun 96

[FBIS Transcribed Text] Tallinn, Jun 18 (BNS) — Ukraine's President Leonid Kuchma has sent a letter to his Estonian counterpart, Lennart Meri, expressing his belief in cooperation with the Baltic states.

The president thanked the heads of the Baltic states for paying attention to the continuation of economic and democratic reforms in Ukraine in a joint communique they signed in Vilnius at the end of last month, Meri's office told BNS.

The Baltic presidents at the May 28-29 summit described Ukraine's development as a "significant factor in shaping stability and security in whole Europe."

"I am convinced that this is a firm affirmation of the atmosphere of trust and mutual support prevailing in our relations," the Ukrainian president wrote.

Kuchma's message to Meri also stated support for deepening Baltic cooperation.

Estonia: Finnish, Estonian Presidents Hold Talks

LD1606195396 Tallinn Radio Tallinn Network in Estonian 1700 GMT 15 Jun 96

[FBIS Translated Text] Finnish President Martti Ahtisaari was on a one-day working visit to Estonia today.

During the morning, Ahtisaari and Estonian President Lennart Meri took part in laying a foundation stone to the extension to the factory of the Elcoteq joint-stock company in Tallinn, and visited the factory.

The meeting between the presidents continued in the Palace of Kadriorg. Vallo Kelmsaar reports.

[Kelmsaar] Meri and Ahtisaari discussed economic and political issues of mutual interest. Among other issues, the meeting discussed EU expansion and the security of the Baltic Sea region.

Before Ahtisaari left, the presidents answered journalists' questions. President Lennart Meri said that the issues of EU and NATO expansion will be discussed also in the United States at the end of June, when the presidents of the Baltic states are to meet U.S. President Bill Clinton.

Speaking about the Russian presidential elections tomorrow, Lennart Meri said that these were a significant stage of democratic development in that country and that the people of Russia will make the best choice. Ahtisaari shared this view.

Answering a question about border problems between Estonia and Russia, Meri said:

[Begin Meri recording, in English with superimposed Estonian translation] I think that the border problems are more or less solved. I can understand that before the Russian presidential elections this issuesdid not have a high priority in Russia's policy. But I look into the future with optimism and think that like Estonia, Russia is interested in a friendly, reliable, and well-defended border. A good border is the best precondition for successful cooperation.

Finland helped us in August 1994 when the Estonian-Russian negotiations were in deadlock. I am confident that if it need be, we will again receive assistance from Finnish experts.

The border issue is of a technical nature and resolving it is only a matter of political will. There is such a will in Estonia. [end recording]

Estonia: Oovel Comments on Budget, NATO, Arms Production, Russia

LD1706161996 Tallinn Radio Tallinn Network in Estonian 1200 GMT 17 Jun 96

[FBIS Translated Excerpt] The Estonian Defense Ministry, which is planning to double its budget, wants to increase expenditure for purchasing equipment and weapons. The Defense Ministry is asking for 1.06 billion kroons [8.0 kroons per 1 DM] from the 1997 state budget, of which the Finance Ministry has agreed to 748 million, Defense Minister Andrus Oovel told a press conference today.

Compared with the 1996 budget, it is planned to increase the expenditure on equipment and weapons programs by 395 million kroons. Oovel said that the Defense Ministry was asking for additional 120 million for creating infrastructure, 29 million for increasing salaries, and 15 million for building housing.

Oovel said that the development of the infrastructure of the defense troops could be combined with reginal policy because a large proportion of the expenditure would be made in rural areas where incomes are low.

Oovel said the Defense Ministry hoped to reduce the expenditure on equipment in the future with the help of arms industry in Estonia. The ministry is looking for a foreign firm with existing market in Europe, which would agree to produce military equipment in Estonia, Oovel said.

The Estonian Defense Forces meet one of the 11 preconditions for joining NATO, Defense Ministry leaders told a news conference today. Vallo Kelmsaar reports:

[Begin recording] [Kelmsaar] [passage omitted] The minister summed up Estonia'a activities in the direction of NATO in four main points:

[Oovel] First, in our main directions of defense policy, we have said clearly and unambiguously that Estonia's goal is to become closer to NATO and to gain its full membership.

In addition to the clearly and unambiguously formulated political position, a real and effective state defense system has to be built up in order to reach this goal. To create such a defense system, we deem it very important to take part in various NATO initiatives, starting with the Partnership for Peace program and moving on to taking part in review and planning process in the individual dialogue and to taking part in the individual partnership program. We want to be involved in practical outputs, which are peacekeeping, peace enforcement, and readiness to take part in united troops for special tasks. [passage omitted]

[Kelmsaar] Estonia made a proposal [at NATO meeting in Brussels on 14 June] to bring a part of the partnership program events to the Estonian territory. Joint activities should give a clear signal in two directions, first to the people of Estonia saying that Estonia is not alone, and second to all potential aggressors saying that it is not an unclaimed territory.

Estonia wishes to find a cooperation partner in Western Europe, with whom to start producing weapons or equipment. The partner-firm should set up production in Estonia and take care of distribution.

Andrus Oovel spoke in Brussels also to Russian Defense Minister Pavel Grachev. According to Oovel, Grachev offered very serious cooperation to NATO. Grachev had also agreed with Russia sending its mission to the NATO headquarters and understood the wish of the NATO secretary general to send a NATO mission to the Russian General Staff.

Andrus Oovel expressed the opinion that Russia should change its approach to analyzing threats. In addition to seeing dangers to its security, Russia should also analyze the idea that it could represent a threat to other countries.

[Oovel] If one day Russia were to reach the understanding and adopt the approach that, in addition to analyzing threats to itself, it would also analyze its own behavior and understand that there are states who think their security depends largely on Russia's behavior, perhaps then such a constructive dialogue would be possible. Clearly, it is impossible to talk about a constructive dialogue until Russia reaches such understanding. [end recording]

Estonia: Speaker Reviews Performance of Parliament

WS1406123296 Tallinn ETA in English 0710 GMT 14 Jun 96

[From the 14 June SONUMILEHT, EESTI PAEVALEHT, POSTIMEES pp 2-4; "News Bulletin" No. 115]

[FBIS Transcribed Text] [place not given] (ETA) — Riigikogu held its last session of the spring season yesterday. Speaker Toomas Savi announced at a news conference that the number of draft laws had decreased, since most of the laws already exist. But he also commented on the high cost of the parliament and reminded the members to keep in mind their responsibility to the voters. He criticised the members, who had wasted the parliament's time with meaningless or unimportant subjects. It was also pointed out that the draft laws submitted to the parliament are frequently of low quality both in legal and linguistic sense. There are two extra sessions planned, one on June 26-27 and the other on August 26-26.

Riigikogu approved the law on amendments to the law on pensions yesterday, granting full retirement or disability pensions to working pensioners, regardless the amount of their wages. The law used to link the pension with wages so far.

The parliament approved the law on the confidentiality of private data of individuals, concerning their political and religious convictions, ethnic background, state of health and criminal record.

Some moves of the Wednesday's late session were also reported. Riigikogu decided on Wednesday to abolish the Archives Department and turn its functions over to the State Chancellery. Director of the department Peep Pillak has sharply criticised the move as subordinating Estonian archives to political influence and reducing their credibility internationally.

The law on amendments to the law on gathering, preservation and processing of documents of foreign intelligence services active in Estonia was approved with 44 votes in favour.

The Wednesday's session also approved amendments to the law on agrarian reform.

Latvia

Latvia: Ulamanis: Baltics To Question U.S. Over Russia-U.S. Treaty

LD1306204996 Moscow INTERFAX in English 1647 GMT 13 Jun 96

[From the "Presidential Bulletin" feature: compiled by Anna Kovaleva, Nikolay Zherebtsov, Andrey Petrovskiy, and Boris Yunanov]

[FBIS Transcribed Text] [place and date not given] (INTERFAX) — President Guntis Ulmanis has confirmed that Latvia will not form a common system of security with Russia.

"There can be no common system of security with Moscow and it is clear why without explanations," President Ulmanis said, when asked about proposed additional guarantees to the Baltic countries.

The proposal was made by the foreign affairs committee of the Russian State Duma Vladimir Lukin. He suggested formulating joint guarantees that would give Russia, NATO and the Baltic countries greater confidence in their security.

"Each country chooses its own position and policy in the field of security," Ulmanis said.

About defense problems President Ulmanis said that the three Baltic leaders planned to visit the United States shortly to discuss the Russian-U.S. treaty on conventional forces in Europe letting Russia increase its military presence near the borders of Latvia and Estonia. "We still have no clear answer from Moscow and Washington why they concluded such a treaty," President Ulmanis said.

Latvia: Ulmanis Comments on Russian Election Results

WS1806101196 Riga LETA in English 0901 GMT 18 Jun 96

[FBIS Transcribed Text] Riga, June 18 (LETA). President Guntis Ulmanis considers the election results in Russia confirm that the democratic processes in Russia are irreversible, according to the press service of the President.

President Ulmanis expressed surprise that Democrat Grigory Yavlinsky received fewer votes than the representative of the military, General Alexander Lebed. According to the President, this confirms that there are still many Russians who support a hard line policy in Russia. On the second round of voting, President Ulmanis is convinced the present division of votes will prevail thus confirming the irreversibility of the democratic process.

The activities of Russian citizens living in Latvia were minimal. They voted mainly for Vladimir Zhirinovskiy or Gennady Zyuganov. The indication seems to be that a large proportion of Russian citizens living in Latvia are more interested about the political life of Latvia, but also that a number of these Russians desire a return of the Soviet empire to be able to live according to Soviet principles, according to President Ulmanis.

Latvia: Foreign Minister Happy With Russian Elections

LD1806201796 Riga Radio Riga Network in Latvian 1300 GMT 17 Jun 96

[FBIS Translated Text] Now, as almost every Monday, Latvian Foreign Minister Valdis Birkavs and my colleague, head of the editorial department, Vita Savicka, are in our studio.

[Savicka] Mr. Birkavs, we will probably continue the subject which has already been started and therefore here is the first question about today's No. 1 event — How would you assess the Russian presidential elections?

[Birkavs] First of all, hello. The event is very important indeed and although some politicians are trying to say that [words indistinct] it is does not matter at all for Latvia who is president in Russia, it is not true. Everything is related in the world and the development of future events after the first round [of elections] has greater significance for neighbor countries.

I would like to say that the first round satisfies me in the way that I can see how the scenario will develop in the future; it is predictable. However, it seems to me that the contest between the first and the second rounds or the bargaining between the first and second rounds will be unusually intense because then there will be not so much a battle for the president's chair, as for the seats which it will be possible to gain after Yeltsin has been reelected.

[Savicka] You are now predicting the process but what could be the result? We received reports today that, for example, the Estonian foreign minister today made public his forecast and saying that he would not be surprised if Zyuganov wins the next round.

[Birkavs] Well, one should not be surprised by anything in this world. However, I am more optimistic than my colleague Kallas. It seems to me, it seems to me that it looks at the moment that Yeltsin could win in the second round. Therefore, Lebed's stance will be important in fact and Yavlinskiy's and Zhirinovskiy's stance will be important. How will the events develop further? I think that all will depend on what promises are made to these or those political forces as to what their place will be after the elections. But in any event, the point on which I agree with my colleague Kallas is that our attempts and our desire to develop constructive relations with Russia will not begin, but will rather continue because, in reality, we already started on this road quite a long time ago; it seems to me that much earlier than Estonia.

[Savicka] You are thinking of Kallas's statement today in which he says that the future will be exactly the time when intensive relations should be developed with Russia, yes? Do you agree that this period will only begin in earnest for Latvia as well?

[Birkavs] No, it began for Latvia last year when the deputy foreign minister, Mr Krylov, was visiting Latvia and when I stated that the Cold War with Russia has ended. From that moment we have in fact been developing our relations in a rather constructive way. It does not mean that there has been some kind of a retreat from our interests or something like that. It means that we are purposefully working in order to maintain normal neighbourly relations, develop economic cooperation and not to make political compromises where it is absolutely impossible [to do so, but rather to take compromise decisions where the logic of the political process permits.

[Savicka] Yes. Thank you for replying to this question. It is known that in a couple of days you are going to Warsaw where NATO will be holding its annual working meeting. I would like to ask you why have you been invited to this meeting? As is known, not all politicians are going to Warsaw.

[Birkavs] It should be said that this is a seminar in which the top brass of NATO, arms manufacturers, companies supplying the NATO forces, and politicians are taking part. I will be taking part for the third time. I am probably invited because I have spoken twice and both my speeches were published in the relevant editions. I have been invited personally with a report which I have entitled "The Past Parallels and Future Challenges." It seems to me that it is clear to everyone in Latvia why I am talking about parallels between the past and present and what our future challenges are. By the way, it is exactly NATO that is one of the biggest challenges in our relations with Russia. And the Russian side is reproaching me, I would like to say, not actively but rather clearly for such, as it were, a pro-NATO position. However, I have to participate in this seminar because I will gain there not some kind of a personal benefit but rather I will have the opportunity to express Latvia's position and our anxiety in the same way as it was possible in Berlin immediately after the signing of the memorandum on the Conventional Armed Forces in Europe Treaty between the United States and Russia.

[Benfelde] At this conference you were able to see the prospect for NATO and [word indistinct] as well. Do you, how do you assess the fact that this conference is taking place in Warsaw. Is there some future parallel here?

[Birkavs] You have a good example there as if you look back at the last ones, then in 1994 it was in Bergen, that is, in one of the NATO countries; in 1995 it was in Bremen, in Germany which is another NATO member, after the reunification of Germany; and now it's in Poland. I think there is nothing done without some intention, so there it is: Poland and NATO.

[Savicka] Thanks for the talk.

[Birkavs] Thanks to you.

Latvia: Politicians Predict Yeltsin Victory in Russian Elections

WS1806133896 Tallinn BNS in English
1000 GMT 18 Jun 96

[FBIS Transcribed Text] Riga, Jun 18 (BNS) — Latvian politicians predict Boris Yeltsin's victory in the second round of Russian presidential elections if he agrees with retired general Alexander Lebed on his support for Yeltsin.

Latvian politicians are surprised at the large number of voters who supported Lebed, which was not expected according to results of the carried out opinion polls.

Saeima's [Parliament's] Foreign Affairs Committee Chairman Indulis Berzins considers that Yeltsin, Lebed and the leader of the bloc Yabloko, Grigoriy Yavlinskiy, are to agree by the second round of elections on the after-election cooperation what is an important factor for Yeltsin's victory.

"It is also important what will happen in Russia and how the issue of Chechnya will be resolved," said Berzins.

National Harmony Party faction deputy Vladlen Dozortsev foresaw Yeltsin's victory in the next round if he manages to reach a compromise with Lebed and agree on the posts in the government after the elections.

Democratic Party Saimnieks faction deputy Ivars Kezbers said that results of the next election round will depend on the choice of Yavlinskiy and Lebed's electorate.

He considers that supporters of Vladimir Zhirinovskiy will vote for Gennadiy Zyuganov, supporters of Yavlinskiy — for Yeltsin, and a part of electorate who cast their votes for Lebed will vote for Zyuganov and and another part for Yeltsin.

Kezbers also noted it would be essential for Yeltsin to agree with Lebed on the posts in the government after the elections.

"Outside the Commonwealth of Independent States, everybody is keeping fingers crossed for Yeltsin," added Kezbers.

Latvian Farmers Union coalition faction Deputy Maris Vitols said that success of Lebed in the elections allows Lebed and communists to agree on setup of a "proimperial alliance" before the next round of elections. That would hamper economic and political reforms in Russia, he noted.

In Vitols' opinion, Yeltsin should come to terms with Russia's democratic forces.

Latvia: Ulmanis Predicts Improved Relations With Russia

WS1806135396 Tallinn BNS in English 1233 GMT 18 Jun 96

[FBIS Transcribed Text] Riga, Jun 18 (BNS) — The relations between Latvia and Russia are likely to improve soon, the Baltic nation's newly reelected president, Guntis Ulmanis, told reporters Tuesday.

The coming three years will "be characterized as a period during which relations between Russia and Latvia will substantially improve and (...) become good and friendly," Ulmanis said.

Ulmanis, however, did not elaborate what has to be done to achieve this goal. "There are many ways and many versions (...) but I think that the time will show them and it is a theme for another discussion," he said.

Speaking about the prospects of bilateral relations if President Boris Yeltsin loses out to his communist challenger Gennadiy Zyuganov, Ulmanis said that interstate talks would continue.

"Talks will be definitely held between Latvian and Russian presidents about the building of relations," Ulmanis noted. The president did not want to speak in detail about the process of presidential election in Russia.

Latvia: Report on Announcement of President's Reelection

LD1806094996 Riga Radio Riga Network in Latvian 0822 GMT 18 Jun 96

[FBIS Translated Text] Pardon me, dear listeners, we are interrupting our programs and going over to the Saeima building:

[Unidentified speaker] Please.

[Second unidentified speaker] Esteemed state president and prime minister, esteemed speaker of the Saeima, colleague deputies. Allow me to read the protocol of a vote-counting session on the election of the state president in the Saeima in Riga on 18 June 1996.

A total of 120 ballot papers were prepared, 100 ballots were distributed to the deputies. There were no spoiled or exchanged ballots. The remaining 20 ballots were invalidated. A total of 100 envelopes were taken out of the ballot box and 99 ballots were found in them: 99 ballots were accepted as valid. There were no ballots considered as nonvalid.

The votes cast for the candidates: 25 votes were cast for Ilga Kreituse; 14 votes were cast for Imants Liepa; five votes were cast for Alfreds Rubiks; and 53 votes were cast for Guntis Ulmanis. According to the standing order...[applause interrupts]

[Unidentified speaker] Esteemed deputies, let us congratulate Guntis Ulmanis on his reelection to the post of state president.

Esteemed deputies, I announce the extraordinary session of the Saeima of the Republic of Latvia closed. The deputies are awaited downstairs.

Lithuania

Lithuania: Landsbergis Assesses Russian Election Results

LD1806103796 London THE DAILY TELEGRAPH in English 18 Jun 96 p 16

[Report by Christopher Lockwood: "Baltic States Fear Resurgent Russia"]

[FBIS Transcribed Text] Whoever emerges triumphant from the Russian presidential election, the breakaway states of the Baltic risk falling back under the sway of a resurgent Moscow, the man who triggered the collapse of the Soviet Union said yesterday.

Vytautas Landsbergis, who led Lithuania to independence in 1990, greeted the news that President Yeltsin was narrowly ahead yesterday with little enthusiasm.

"It doesn't much matter to us who wins the election: the same KGB will be running things whoever it is. For us, there is not much of a choice between Yeltsin, who represents the party of war, and the Communists, who want to restore Russian imperialism", he said.

For the past two years, the Baltic states have watched with horror as Russia has waged war the separatists in its rebellious province of Chechnya. Almost as horrifying has been the muted reaction of the West.

"To what limits does the West's appeasement of Russia go? If they can get away with Chechnya, what about us?", asked Mr. Landsbergis. "Already, Russia is starting to reassemble the Soviet Union."

The Republic of Belarus, he argues, has become a virtual Russian dependency. Russian soldiers now patrol the frontier between Belarus and Lithuania. The presence of a large garrison of Russian troops in Kaliningrad, a tiny Russian enclave sandwiched between Poland and Lithuania, is not reassuring either.

In London for a service of remembrance for those killed during the annexation of Lithuania by Stalin in 1940, Mr. Landsbergis now leads the Lithuanian opposition, having lost a presidential election in 1993.

Lithuania: President Calls For Stronger Border Security

WS1806115196 Tallinn BNS in English 1825 GMT 17 Jun 96

[FBIS Transcribed Text] Vilnius, Jun 17 (BNS) — Lithuanian President Algirdas Brazauskas called a meeting Monday [17 June] aimed at stepping up efforts against smuggling and illegal migration.

Participating were Prime Minister Mindaugas Stankevicius, customs department Director Vitalij Gerzonas, border police department Director Stanislovas Stancikas, state security department Director Jurgis Jurgelis and the department of internal affairs' police department's Commissioner General Jonas Liaudanskas.

At Monday's consultation the president was expecting answers to problems of insufficient security on Lithuania's borders, raised up at a similar session on April 29.

At that time it was emphasized that illegal migrants were crossing the border, large amounts of smuggled petrol, alcohol and cigarettes were coming into the country, causing the loss of considerable revenues to the country and the suffering of honest businessmen in the domestic market.

Zenonas Kalinas, the president's advisor for state and legal issues, told BNS that the head of state on Monday had spoken quite demandingly and made comments and proposals. Another meeting in several weeks will most likely be held for officials involved with border security.

According to Kalinas, the replacement of directors of departments was not a subject brought up at the consultation. "Cleaning the ranks was the only issue," the presidential advisor said.

At the meeting held one-and-a-half months ago, serious concern was voiced over reports that a large number of officials working on the border were accepting bribes.

Lithuania: Russian MPs Make Territorial Claims

LD1306212296 Vilnius Radio Vilnius in English 1900 GMT 13 Jun 96

[FBIS Transcribed Text] The deputy of the Russian Duma and the former chairman of the USSR Council of Ministers Nikolay Ryzhkov, says the Lithuanian Klaipeda region belongs to Russia according to two international documents, the final act of the CSCE [Conference for Security and Cooperation in Europe] and the July 12th 1990 treaty between the USSR and Germany.

Mr. Ryzhkov told reporters on Wednesday that Moscow should not hurry to sign any border agreements with Lithuania until these circumstances are completely clear.

The sea border between Lithuania and the Russian Kaliningrad region had not yet been deliniated. High-ranking officials in Lithuania are concerned over the growing activities of those political forces in Moscow who are inclined to ignore the principles of law and bilateral agreements in the face of the upcoming Russian elections.

Recently Lithuania sent a note to Russia pointing at the statements of Russian politicians. The Russian All People's Union headed by Mr. Sergey Baburing stated in early May that the Lithuanian Klaipeda region belongs to Russia in accordance with the 1945 Potsdam conference.

Lithuania: Landsbergis: Western Missiles Should Counter Russian Threat

AU1406121096 Kiev HOLOS UKRAYINY in Ukrainian 12 Jun 96 p 5

[Unattributed report from Vilnius: "Missiles Wanted From the West!"]

[FBIS Translated Text] Vitautas Landsbergis, leader of the Lithuanian right wing, believes that "the West must grant the Baltic countries at least 600 anti-tank missiles if Russia and the United States agree to change the CFE Treaty, as this will enable Moscow to have 600 instead of 180 pieces of armored vehicles in Pskov Oblast on the borders with Baltic states."

Lithuania: Defense Minister Urges Higher Defense Spending

WS1806115396 Tallinn BNS in English 1825 GMT 17 Jun 96

[FBIS Transcribed Text] Vilnius, Jun 17 (BNS) — The country's security is a very expensive thing which cannot be achieved with a stretched-out hand alone, Lithuania's Defense Minister Linas Linkevicius said.

Lithuania is one of the European countries which allocate the least of budgetary funds for their defense needs, Linkevicius said at a news conference on Monday [17 June].

Among European countries which invest most money in their security are Norway (2.83 percent of GNP), the Czech Republic (2.58 percent), Poland (2.5 percent) and Slovakia (2.4 percent). Lithuania with its 0.56-percent figure outruns only Latvia which spends 0.5 percent of its gross product for defense needs.

"Lithuania should review its funding priorities," Linkevicius said.

He said the formation of a joint Lithuanian-Polish peacekeeping battalion, which helps the country to win support by many Westerners, is to be started next year and will require a lot of funds.

Lithuania: Russian Idea of NATO Expansion Unacceptable to Vilnius

LD1506174996 Vilnius Radio Vilnius Network in Lithuanian 1100 GMT 15 Jun 96

[FBIS Translated Text] Russia's idea that an intensive dialogue along the lines of the Partnership for Peace Program could become an alternative to the expansion of NATO is unacceptable to Lithuania, Lithuania's Defense Minister Linas Linkevicius said on Friday, speaking in Brussels at a conference of NATO and the ministers of defense of its partner-countries..

Speaking on the phone from Brussels to ELTA, Linkevicius said that Russian Defense Minister Pavel Grachev maintained that his country was prepared to cooperate with a NATO that is not expanding.

Minister Linkevicius said that he had stressed at the conference that Lithuania is determined to continue its participation in the Partnership for Peace Program and in the process of NATO expansion.

The defense minister noted, however, that this time the tone of speech of his Russian counterpart was not as categorical as before. The minister thinks that this probably has been influenced by the Russian presidential elections.

Lithuania: Swedish Prime Minister Pledges More Financial Support

WS1706095696 Tallinn BNS in English 1636 GMT 14 Jun 96

[FBIS Transcribed Text] Vilnius, Jun 14 (BNS) — Sweden is unconditionally supporting Lithuania's desire to become a full member of the European Union and will orient its partners on the continent in the same direction, said Swedish Prime Minister Goran Persson after meeting his Lithuanian counterpart Mindaugas Stankevicius in Vilnius Friday.

Speaking to reporters after the meeting, Persson promised to raise the issue of cooperation among the Baltic Sea region countries and to ask European structures for assistance.

The sides discussed cooperation in the field of power-engineering. Sweden is especially interested how Lithuania intends to replace the Ignalina Nuclear Plant after its resources have been used up in the next century.

Stankevicius did not rule out that talks may be started on the laying of a Baltic Ring gas pipeline, which would supply natural gas to Lithuania from Norway. However, he did not dismiss other projects as well. Persson added that Lithuania also has the potential of bioenergetic resources.

Persson praised Lithuania's steps in curbing illegal migration. He said Lithuania is well ahead of the other Baltic states in this area.

The Swedish prime minister said that the Swedish government will assign Lithuania another 1 million kronas for the implementation of the law On the Status of Refugees in the Republic of Lithuania. By now Sweden has allocated 2 million kronas to Lithuania, of which 820,000 has been used for the installation of a refugee camp in central Lithuania.

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